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JPRS Report

West Europe

19 JUNE 1987

WEST EUROPE

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SCHILTZ DEFENDS PROPOSAL TO REQUIRE COURT INTERPRETERS

Brussels KNACK in Dutch 18 Mar 87 pp 33-36

[Interview of People's Union House Member Hugo Schiltz by Peter Renard; date and place not specified]

[Text] VU [People's Union] House members, Hugo Schiltz and Frans Baert want to modify the law on the choice of language used in court cases. They want interpreters instead of the possibility of turning to a court of law where a different language is used.

The principle of territoriality is the basis of the 1935 law for language use in court cases; it states that the regional language is the vehicle to be used in a court of law. In other words: in Flanders justice is done in Dutch, in Wallonia in French, and in Brussels in both languages. But there are exceptions. In the first place are the communities with options: people who live in the Walloon cantons of Moeskroen and Komen or in the Flemish canton of Sint-Martens-Voeren may request to be heard and ultimately to be judged in Dutch or French respectively, and that for criminal as well as police court.

In the six Flemish communities with options around Brussels (Drogenbos, Kraainem, Linkebeek, Sint-Genesius-Rode, Wemmel and Wezembeek-Oppem), anyone who requests, may obtain the administration of justice in French. In the second place, a person who knows no Dutch (French) (or says he does not) may request the administration of justice in French (Dutch). If the court consents to the request, then the case changes venue to the nearest criminal or police court which does speak the language of the suspect. But in the latter case, the court should not always give its consent.

The bill sponsored by Hugo Schiltz and Frans Baert tries to translate the principle of territoriality into reality. It comes down to the fact that the currently existing options to change courts are being supplanted by another option, the services of a certified interpreter. According to the House representatives, the process of referral to a court other than the one that is territorially competent was originally intended to procure a more objective administration of justice for the accused, before a court that speaks his language. But that idea has proven unworkable by reason of the facts, states the bill. For, at this moment there may be a satisfactory number of highly trained (and sometimes even unemployed) interpreters available to the courts. The development of language education has seen to this need. But that is not the only reason for the bill.

Social Pressure

[Answer (Hugo Schiltz)] Besides, this practice of change of venue, which, on the contrary, is now systematically and often controversially invoked, leads in practice to precarious situations, in which the equal treatment of actions that have occurred in one and the same district will be jeopardized. That undermines the confidence of the citizens in the administration of justice in criminal cases. Over and over again it is a matter of politically colored incidents, in which people get hurt or suffer damage, who then as Flemings come before a Walloon court, with no guarantee of an objective administration of justice. The best known is the Snoek case, where a higher officer of the state police makes a statement and is bawled out by the court, to a certain extent at least. But the story of a few mates of the cafe owner who shot at Flemings in Voeren was accepted as the basis for making a sentence. We ascertained with our law office that colleagues from Verviers did not dare help us with smaller cases or as co-litigants, for fear of social pressure. Off the record, members of the court even told us that they could not go as far as they wished in sentencing, for fear of....

[Question] Why is the bill limited to criminal cases?

[Answer (Schiltz)] Because it is a question of the most delicate matters, ones where persons' lives are at stake. In corporate matters the sociological consequences are slighter. There is also a detailed written procedure. In practice there are no problems, no complaints, no anomalies.

[Question] An eminent jurist such as Professor Senelle said that he was not happy with your proposal.

[Answer] That is true, but Professor Senelle is judging on a purely theoretical basis. The lawyers know from their practice, on the other hand, what simple people in Wallonia experience before the courts. I like to make the following comparison in this connection: In Antwerp there are more Chinese who know no Dutch than there are residents of Voeren who say that they know no Dutch. If a Chinese does something wrong in Antwerp, then he appears before the court there with an interpreter. The Chinese community has never complained about this.

[Question] In fact, your proposal means doing away with the currently existing options.

[Answer] It is in a certain sense an elimination of options that are being mis-used, yes; something that we lawyers have often experienced.

According to the VU proposal, a suspect or an accused person may call for an interpreter. That can only occur if the suspect or the accused does not know the language of the court or expresses himself easier in another language. But the request is not granted if it becomes evident in one way or another that the requester does indeed know the language of the court; if, for example, he was educated in that language, took an examination for the Permanent Recruitment Secretariat, or, as an official, opted for the language of the court. Another limiting condition may also inspire House members, perhaps: the one dealing with a "public mandatory who exercises his office in a location where the legal language regulation prescribes the use of the language of the court."

In the other cases, a request is thus made for interpreters with a diploma from an officially accredited institution, whether non-university higher education or university. The court must take care that the interpreters who act on behalf of people who speak a language other than one of the national languages also have a command of that other language.

Coucke and Goethals

History does not repeat itself, so it now appears in this case, at least. For precisely because of the defective services of the interpreter on duty, two Flemish workers were found guilty in 1860 as members of the so-called Black Gang, of the robbery and murder of a 70-year-old woman. Jan Coucke, a railroad workman and Pieter Goethals, a vegetable peddler, were beheaded on 16 November 1860. Only months after their deaths, the two were discovered to have been victims of the court practice of using French in the Flanders of that era. Their case came to the fore on this side of the language boundary only when another member of the Black Gang testified before the court that the two Flemings were in fact innocence. Later he withdrew that evidence, but that did not keep all Flemish sympathizers from being convinced that Coucke and Goethals had not been able to follow the case as well as they should have, because they did not know the French language in which it was conducted, or knew it only unsatisfactorily. The interpreter was said to have been a Luxemburg state policeman who spoke neither French nor Dutch. Again, others at the time said it was an interpreter who came from the Netherlands.

Be that as it may, Coucke and Goethals were judged too severely, and in Flanders they became the symbol of the struggle against the monolingual court system. It was to be a long struggle, one that has had to pass through many phases before the court system, which had already begun to be administered in French in Flanders by the end of the 18th century, could be fundamentally changed in 1935. Already in 1873, the principle was established that the administration of justice in the Flemish language regions had to take place in Dutch, unless the accused preferred the French language. In the eyes of the Flemings this law exhibited many flaws, and it was adjusted in 1889.

In criminal cases, the Public Prosecutor and the civil party were now obliged to use Dutch as well. But ultimately we had to wait until 1935 for the absolutely monolingual character of the administration of justice to be recognized, and that for the entire procedure, naturally. Moreover, a language law came into existence with an obligatory side to it; in other words, if the law is not observed, then the sentences of the courts are thereby invalid. Because of this, among other things, the well-known Flemish-minded jurist, Rene Victor, believed it to be "a law of exceptional importance," although he does admit that Article 23, which breaks the territoriality principle by means of its referral to courts with another vehicle of administration than the regional language, does contain dangers. This modification of that article is also one of the reasons for the Schiltz-Baert bill. The House representatives have proposed to put it on the agenda of the House Commission. Whether it is discussed or not, the majority will determine that issue.

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CSO: 3614/69

BEATTY REPORTEDLY TO REAFFIRM NATO COMMITMENT

Toronto THE GLOBE AND MAIL in English 13 Apr 87 p A3

[Article by Jeff Sallot]

[Text]

ST-JEAN-SUR-RICHELIEU, Que.

If there was any doubt where the Government stood, Prime Minister Brian Mulroney dispelled it when he welcomed U.S. President Ronald Reagan to Ottawa last week with the declaration: "Canada is not a neutral country."

Defence Minister Perrin Beatty will make the same point within the next few weeks when he issues a white paper on defence policy that will reaffirm Canada's commitment to the North Atlantic Treaty Organization.

The last serious official examination of the neutrality option was in 1969. Then, Pierre Trudeau and his Liberal government decided against it, and the current Conservative Government sees no reason to leave the alliance now.

Why, then, did a federal military academy, Collège Militaire Royal, located in St-Jean on the banks of the Richelieu River, sponsor a conference to discuss "Canada and Military Neutrality"?

Is it, as one participant suggested, merely a fad debate among Canadian intellectuals and nationalists?

Or is it simply that neutrality has been misappropriated for use as a code word for a host of other Canadian concerns about NATO and Canada's role in the alliance?

What can be said with certainty is that all is not well within the alliance, as many speakers, mostly academics, pointed out. There is unease about Mr. Reagan's plans for ballistic missile defences, the Star Wars project. There is concern that the Americans are not living up to arms control treaty obligations. And there is an outright dispute with the United States because it will not recognize Canada's claims to sovereignty in the Arctic waters of the Northwest Passage.

Neutrality, however, is not an option for Canada, most of the speakers said.

Neutrals have obligations in international law to deny the use of their territory, including air space, to belligerents. In practical terms, Canada would have to greatly increase its air force to prevent Soviet bombers from trying to reach the United States over Canada, Lt.-Col. Douglas Bland of the Canadian Forces said.

Armed neutrality for Canada would be very expensive, he said.

Oran Young, a political scientist at the Centre for Northern Studies in Vermont, said that there is no realistic prospect for Canadian neutrality if only because Canadian and U.S. economies are so closely integrated.

Neutrality works for some small countries in Europe — Finland,

Switzerland, Austria and Sweden — but Canada may be too big a country to be neutral, said Raimo Vayrynen, a Finnish political scientist. "Neutrality presupposes very limited interests beyond the geographic region."

Mr. Vayrynen said that it would be hard to imagine Canada as a neutral because of geopolitics. Canada is located on the ballistic-missile-flights path between the two superpowers, he said, and thus "Canada can only talk about limits to alliance participation."

The only reason for Canada to adopt neutrality would be if that reduced the risk of nuclear war, said Geoffrey Pearson, the executive director of the federally financed Canadian Institute for International Peace and Security. But "no such convincing demonstration can be made," he said.

Canadian policy within NATO, therefore, should be aimed at trying to reduce crises that could lead to nuclear war, and to strengthening the command and control structures of Western forces to avoid accidental escalation to nuclear war, Mr. Pearson said.

John Holmes, a former senior Canadian diplomat, said that "neutrality as an option has become not so much undesirable or unattainable as irrelevant. It is unlikely to protect us."

Mr. Holmes said "a nuclear exchange would wreck us all, aligned and non-aligned alike."

George Ignatieff, the former ambassador for disarmament, said that participation in NATO allows Canada to exert influence on alliance policy.

But he was concerned that policy might be subordinated to weapons technology, especially with the North American Aerospace Defence Command.

The computer and weapons technology of NORAD could result in "launch on warning," the firing of

missiles at the first sign of attack before verification, could be obtained that in fact North America was under attack, Mr. Ignatieff said.

Nationalist author and academic Stephen Clarkson questioned what influence Canada really has within NATO and NORAD.

He said Canada could declare neutrality and become a shield protecting both the United States and the Soviet Union from each other. This could be done by launching a Canadian surveillance satellite and developing the capacity to detect submarine activity in the Arctic.

Canada then could instantly warn either superpower of potentially hostile activity toward the other, Mr. Clarkson said.

Mr. Clarkson acknowledged that Canada's military is so closely integrated with that of the United States that the immediate prospects for neutrality are not there.

Even Maj.-Gen. Leonard Johnson, the retired Canadian Forces officer who believes Canada is being drawn into a U.S. nuclear war-fighting strategy that threatens civilization, acknowledged in a paper yesterday that he has to be realistic about Canada within NATO. "Outright renunciation of the alliances would require more political boldness than is likely to be available (in Ottawa) in the near future," Gen. Johnson said.

However, he said, as a condition of continued membership in NATO Canada should insist that the alliance get down to some serious negotiations with the Warsaw Pact on troop reductions in Europe, including the withdrawal of Soviet and U.S. forces from the territory of their respective allies.

NORAD, which is a joint Canada-U.S. North American command, should be placed under the civilian political control of the NATO foreign ministers, Gen. Johnson said.

STAND ON NATO COMMITMENT, NORWAY DISCUSSED

Clark on Norway, Arctic

Ottawa THE OTTAWA CITIZEN in English 29 Apr 87 p A14

[Article by Iain Hunter: "Canada May Scrap Plan To Send Troops to Norway in Time of War"]

[Text]

External Affairs Minister Joe Clark hinted Tuesday the government has decided to withdraw Canada's commitment to send troops to Norway in time of hostilities.

Clark also said that as part of the country's future military policy, the government is considering acquiring a fleet of nuclear-powered submarines.

He told reporters after an appearance before the Commons defence committee that military advisers have told the government the commitment to send ground and air forces to Norway after hostilities break out is "difficult if not impossible" to honor.

He said Canada is consulting with its NATO allies on changes to its contribution to defence in Europe and that the government is looking "at a variety of ways" to continue to play a role in the defence of Northern Europe if its direct military support of Norway is withdrawn.

The decision will not be announced formally until Defence Minister Perrin Beatty makes public his white paper outlining Canada's military policy beyond 2000. Beatty is expected to release the document before the end of June.

Clark, who is chairman of the cabinet committee on external affairs and defence which examined the white paper proposals, made no effort to dispute reports the government is prepared to acquire nuclear-powered submarines to replace the three diesel-electric Oberon class boats that went into service in the 1960s.

He told reporters the government could face difficulty in getting the public to accept the acquisition of submarines, costing \$1 billion apiece or more, powered by nuclear reactors.

"We would have to be clear about the need, and we would be making that case," he said.

Clark told the defence committee that the submarines, capable of operating for weeks without surfacing, would primarily provide a means of asserting Canadian sovereignty in the Arctic and secondarily serve a security role.

He acknowledged that the current threat to Canadian sovereignty in the Arctic is from the U.S., which affronted the government by sending its coast guard ice-breaker Polar Sea through the Northwest Passage in 1985 without asking Canada's permission.

Clark revealed Tuesday that the federal government and Washington are close to an agreement on

a deal which would see the U.S. recognize Canadian sovereignty over the Arctic while giving the Americans unspecified access to the region.

Clark said that if Canada had submarines capable of operating under the Arctic ice, other countries with that same capacity would be more likely to let Canada know what they were doing there.

But he stressed that the largest potential threat to Canadian security is from the Soviet Union.

Defence officials have said Soviet nuclear-powered submarines would likely try to travel through Canadian waters under the ice to reach the Atlantic or Pacific oceans, or to seal off "choke points" from allied submarines trying to reach Soviet ballistic missile subs.

They might also enter Canadian waters in order to give submarine-based cruise missiles a reduced flight time to reach North American targets.

The government is examining several proposals for conventional-powered submarines to replace the Oberon class boats, with an option for a hybrid nuclear model.

But senior military officials have criticized the hybrid proposals as untried.

They have said if the government opts for nuclear-powered submarines, the first would be delivered in 1996 or 1997.

(With files from Canadian Press.)

GLOBE AND MAIL Article

Toronto THE GLOBE AND MAIL in English 21 Apr 87 p A7

[Article by John Gellner, editor of Canadian Defence Quarterly: "NATO Needs Revamping To Overcome Its Woes"]

[Text]

SPAIN RECENTLY opened the fifth round of its negotiations with the United States aimed at reducing the number of U.S. forces stationed on Spanish soil. After eight months of talking, the two sides have little progress to report.

The United States considers its combat aircraft at the Torrejon airfield near Madrid and submarines at Rota at the entry to the Strait of Gibraltar, backed by aerial tankers and a small training establishment at Zaragoza, vital to the defence of the North Atlantic Treaty Organization's southern flank. Spain, however, suspects the real U.S. target is the south shore of the Mediterranean — specifically Libya and its ever troublesome leader, Moammar Gadhafi.

The pressure is on Spanish Prime Minister Felipe Gonzalez, who last year promised to arrange a step-by-step reduction of U.S. forces as part of his campaign for a national referendum on Spain's membership in NATO. He felt winning the referendum hinged on such a commitment, but there now seems to be little chance of reaching a compromise before May, 1988, when the agreement covering the bases runs out. If the agreement is not renewed, Mr. Gonzalez will have had his way, but NATO unity will suffer yet another blow.

The Spanish situation is just another example of NATO's mounting woes, which stem for the most part from the difficulties inherent in the relationship between the United States and its overseas allies. NATO's European members have always tried to reconcile the irreconcilable: they want to be assured of U.S. protection, but don't want to have to conform with U.S. policy on defence, let alone foreign relations.

Think of Security

Thus, the Europeans are perturbed whenever the United States appears close to an agreement with the Soviet Union that could undermine Western Europe's security, as was the case at last October's Reykjavik summit and subsequent talks on reducing nuclear missiles in Europe. At the same time, they try not to offend the Soviet Union, and thus are critical — on the surface, at least — of U.S. policies that are targets of Moscow propaganda. These include compliance with the SALT II agreement, interpretation of the Anti-Ballistic Missile (ABM) Treaty and President Ronald Reagan's plans for his Strategic Defence Initiative (SDI).

In the case of SDI, they are torn between a desire to participate, and thus share in any technological benefits while the United States bears most of the cost, and the fear that, with Star Wars in place, Washington will no longer want to expose its forces to a short-range nuclear attack in Europe just to protect allies there.

Except for Spain and Greece, most NATO members would like to see the 350,000 U.S. troops in Europe stay there to demonstrate to the Soviet Union that an attack on Western Europe would be an attack on the United States. At the same time, they don't want the U.S. presence to be too conspicuous and excite anti-American feelings.

Blame U.S. Politics

All this has been a problem at least since Western Europe recovered from the Second World War and started to flex its economic and political muscle, but the situation has grown worse recently. European observers

generally blame this on political developments in the United States. Americans increasingly feel they are being used by prosperous NATO allies who are letting the United States pay for defending them. Another concern in Europe is the shift in power from the Republicans to the Democrats, and the substantial changes in U.S. defence policy that may result.

At least two NATO allies — Britain and France — seem to be taking positive steps. Being nuclear powers, they are less threatened by a shift in U.S. policy, but both are trying to strengthen NATO bonds while making Western Europe a little less dependent on U.S. protection.

French Prime Minister Jacques Chirac was the first to call for greater European co-operation and input in defence. Then, last month, British Foreign Minister Sir Geoffrey Howe, in a speech to the Royal Institute of International Relations in Brussels, dealt in detail with how this should be done.

Perhaps the most interesting part of his plan was that the seven-member Western

European Union (Britain, France, West Germany, Italy, Belgium, the Netherlands and Luxembourg) be roused from its usual state of somnolence and made the co-ordinating agency for this increased participation in defence. If its members could be persuaded to work together wholeheartedly — with common goals and without regard to individual advantage — NATO could have two more or less equal partners, both in making decisions and in carrying them out.

This would relieve the United States of part of its burden and allow the European allies to see themselves as true NATO partners. It would also suit the one other NATO member that has been essentially a giver, Canada.

Whether Mr. Howe's suggestion is followed, one thing is certain: NATO requires revamping. The alliance was founded 38 years ago, when the United States was protector and benefactor to a ravaged Europe. Today, however, the beneficiary of its largesse has grown into an economic powerhouse made up largely of military weaklings.

CITIZEN Editorial

Ottawa THE OTTAWA CITIZEN in English 28 Apr 87 p A8

[Editorial: "Mission in Norway"]

[Text]

Canada's commitment to northern Norway should not be dropped. Nothing has changed since 1967 when NATO, Norway and Canada, in their collective wisdom, approved this country's role there.

Defence Minister Perrin Beatty's long-promised defence white paper is now before cabinet. The Norway commitment will be addressed in it. Canada's reputation as a reliable ally should be the determining factor in deciding this question.

Norway wants the Canadian pledge continued and reaffirmed. Defence Minister Johan Holst made a special visit to Ottawa in February to make that very point to his Canadian counterpart.

At this crucial phase in the decision-making process, Maj. Don Marsh saw fit last week to say in Toronto that Canada could not get to northern Norway in time if our NATO ally was threatened by a military invasion and needed immediate help.

Marsh posed the question, "Will we have the luxury of 21 days to get there?" Fair

enough. But this is surely a question for NATO planners to decide, not one for low-level military speculation.

This is partly a matter of proper transportation by sea and air. For the autumn exercise, the Canadian equipment was carried on one Honduran and three Panamanian ships. They weren't very fast. Logistical difficulties can be overcome if sufficient resources are committed for that purpose. The only unalterable fact is the Atlantic Ocean. And, as far as we know, it hasn't widened since 1967.

A case can be made for Canada to relinquish its Arctic role in Norway on the grounds that we have more commitments than resources to fulfil them. And we cannot get to Norway quickly enough from Canada. But to claim we have this problem because Norway won't allow foreign troops to be stationed on its soil in peacetime is a red herring. Canada would never station troops there anyway, in addition to or instead of those in Germany.

For all kinds of political, moral, alliance and northern environment reasons, we must not withdraw from Norway. Above all, this would fly in the face of the Conservative government's decision to bolster Canada's long-neglected northern and Arctic defence and sovereignty role.

Canadians support that concept wholeheartedly. They would support, too, a compatible task in the defence of the Arctic territory of a NATO ally and close friend on Europe's northern flank.

This is a critical part of conventional deterrence at a time when the Soviets are continuing their huge build-up of forces in their North. To discard this commitment would simply not be understood — not by Canadians, not by Norwegians, not by NATO commanders. Do any others count?

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CSO: 5220/46

U.S. EMBASSY SEEN MEDDLING IN NATIONAL PRESS

Disinformation Perceived

Athens PONDIKI in Greek 15 Apr 87 p 30

[Text] The American embassy has been playing a curious, a very curious, game with the Greek press for some time now. And we say "for some time now," because the "indignation" that was expressed by way of its heated public statements lately, with intimations--which have not been intimations at all but directly to the point--against the DIMOKRATIKOS LOGOS and above all the PROTI, is not the first of such reactions.

Perhaps these public statements and meddlings of the embassy are the most obvious ones, but they are not the only ones. After all, a few weeks ago another statement by the embassy "corrected" TA NEA, which had given the interpretation that Mr Keeley had opposed the initiative of the "Six," while the same ambassador said at a certain dinner at the "Propeller Club" that the Greek press had repeatedly distorted the things he had said about "customer relations."

But aside from the open attacks against the press, the American embassy is adopting also more roundabout methods of "information" and disinformation.

Not only has it divided Greek journalists into sheep and goats until fairly recently, it had even reached the point of considering those who offended it in their writings as enemies, and of trying to "cut them off."

As for the "information" and the disinformation, one sees this in reading reports and articles in various newspapers, one senses it in looking at specific periodicals that have no other reason for being in circulation, one learns of it in listening to the gossip, and one smells it in the circulating of books by specialized publishing firms.

That is, we are speaking about a deliberate infiltrating and meddling of the American embassy in the Greek press, and the attacks against the PROTI and the DIMOKRATIKOS LOGOS constitute only one manifestation of this.

Of course, for the ESIEA [Union of Athens Daily Newspaper Editors], this has been neither fish nor fowl--until yesterday afternoon. When the correspondent of the NOVOSTI, (Boris Koraliof), had written an article in which he attacked certain Greek newspapers, the ESIEA hastened immediately--and properly--to characterize this article as "improper," but nevertheless the rightist majority on its Administrative Council had an attack of constipation until yesterday about the statements of the American embassy, despite the relevant proposal of the minority on this.

As if it could have been otherwise, eh?

U.S. Reaction Reported

Athens TO VIMA in Greek 12 Apr 87 p 64

[Text] A different policy vis-a-vis the Greek press was decided on recently at the American embassy in Athens. Whereas up to now a "low-tone" policy had prevailed vis-a-vis the publications of Greek newspapers critical of specific American actions, now this policy is being reversed, with the decision to no longer let the relevant publications go unanswered.

This began 2 weeks ago, with the well-known affair concerning the article by the American journalist (Flora Lioui), and it continued the other day with two denials. First, with respect to the supposedly secret telegram from the State Department, according to which the American government knew in advance about the proclamation of the Turkish-Cypriot pseudo-state. And second, concerning the report that supposedly the Nea Makri base had interfered with the communications of the Greek Navy during the recent crisis.

The interesting thing is that the American embassy indirectly attributes this report to the Soviet Union, with the argument that such stories appear in the communist newspapers and in papers that support Soviet policy. As we find ourselves on the eve of the commencement of talks on the future of the American bases in Greece, I await with interest to see what comes next in this matter.

12114

CSO: 3521/112

PAPANDREOU SEEN PREFERRING FALL FOR CHANGES

Athens I KATHIMERINI in Greek 12-13 Apr 87 pp 1-2

[Text] Premier A. Papandreou has decided to postpone until this fall his party's "preparedness for any contingency," since the picture of disintegration that is seen in PASOK nowadays from an organizational standpoint (and which has even affected the members of the premier's immediate circle) constitutes an additional decisive disadvantage vis-a-vis the New Democracy Party. Of course, this decision by Papandreou is reflected in his recent statement that the government will go to the end of its term of office. But without the emphatic "mark my words" that accompanied the relevant statement having any more worth than a standard maneuver by the premier that makes it easy for A. Papandreou to reserve to himself the right of a surprise move.

Two Trends

In addition, according to the same reports the premier has been significantly affected by the conflicts that have been displayed within his close circle with respect to the time of the elections, since one group of his conferees, led by Alevras and Koutsogiorgas, have insisted on the surprise move of June. And what appears to decidedly worry Papandreou about the present picture of his party (something which he himself had pointed out in December to the Central Committee) is the argument--which is attributed to Koutsogiorgas--that "if elections are held now, the party is still united, but if they are held in the spring of 1988, centrifugal or even disruptive trends in the movement cannot be considered unlikely following such elections."

That the above "argument" expresses at least the partial truth about the situation in PASOK is confirmed by the serious opposition to the policy of Papandreou that has been displayed in the trade-union sector. Throughout almost the entire spectrum of the various union branches there are expressions on the one hand of deep dissatisfaction, and on the other hand of certain united-front approaches towards G. Gennimatas, who not only "is listening sympathetically" to the protesters, but also is not discouraging "whoever wants to get behind him."

In any case, in view of the now frantic efforts at organizational reorganization it is not coincidental that PASOK desires a certain period of time with "its rear covered" from the Left. It is within this framework that one

should place also the relevant decision yesterday by the Executive Office on letting the May Day celebration have a united character.

Assessments of the ND

These weaknesses of PASOK in conjunction with the strong disapproval of the government as was expressed in the student elections and as is being continued in the elections in the trade unions, show very clearly that initiatives for political changes of whatever sort have ceased to be an exclusive monopoly of the premier. Within this framework, the party of the official opposition--which itself admits to certain organizational defects at present--is evaluating from its own standpoint the possibilities of such political changes.

It is being argued specifically that this fall will be an especially critical period for the government, since:

1. This is a season when the people are experiencing the greatest financial pressures, accompanied in fact by a psychological unpreparedness, since they have just gone through the summer months with their opportunities for living more cheaply.

Consequently it is natural for the popular attitude vis-a-vis the government to be especially hostile, and also more exploitable by the rival parties, and above all by the ND.

2. Church affairs are expected to take on a new prominence, with perhaps an initiative by the prelacy, and also for the reason that in the time until then an informational campaign on an international level will have been completed by the Greek Church. And surely it should be admitted that it is a rather embellished picture that the government has tried to give, in saying that this issue has had no serious political costs to it, with the argument of a blunted religious sentiment in our times.

3. With the course towards certain talks that apparently Greek-Turkish relations will be taking, Papandreou will have been deprived of opportunities for deceptive maneuvers on this issue. Thus the unresolved problem of the bases is left for exploitation, without substantial opportunities for influencing the electoral body, and with the sole apprehension coming from the communists, who have a defeatist attitude and do not believe that they are able to win over the leftist wing of PASOK in a confrontation.

In examining all these facts, the party of the official opposition is justified in regarding this fall as the most suitable season for an oppositionist pressure, by exploiting the grievous mood directed against the government, and of course the gradual depletion of the political "ruses" of the premier.

12114

CSO: 3521/112

REASONS FOR ND RISE IN STUDENT ELECTIONS

Athens PONDIKI in Greek 10 Apr 87 p 11

[Text] How did the "blues" unexpectedly capture the student elections?

And how much does this outcome "count" in political affairs more generally?

We should say at the start that the youth of the ND won mainly because of the government's approaches to the problems of education.

Has the time come for these actions to be paid for?

1. The persistence of accessory education, the tutorial establishments, and private lessons, which have made it extremely expensive (and difficult) for children from the lower classes to gain admission to the advanced educational institutions, the result being a change in the social composition at the universities (and nobody should be in a hurry to contradict us, because the data are available and have been published in the PONDIKI).
2. The persistence, under a socialist government, of the anxiety about unemployment on the part of hundreds of thousands of young people, and of the insecurity about the future which they are being called on to face by means of diplomas but without any funds (and as experience shows not only in Greece but also in other countries, such things lead to depoliticization, passiveness, withdrawing into their shells, and to conservatism).
3. The denying of hopes for "participation" and for truly contemporary and democratic universities (and not for downgraded studies that lead ultimately to unspecialized "professionals").

Thus, at a time when Mitsotakis and the ND are setting fire to the foundations of national unity by disassociating their position on national issues from that of all the rest of Greece, the students are electing as the number-one force the "blues," the DAP [Democratic Renewal Front], the only faction that had no proposals and nothing specific to say, beyond the familiar things about a "Marxist state" and "a leftist threat"!

Of course, the democratic and leftist student factions make up (as a whole) the majority in the student movement (PAK [Pan-Student Trade Union Movement], PASP [Panhellenic Militant Student Faction], the DA [Democratic Struggle],

the Rallies, and the SSAK), since they are getting 61.20 percent compared to 31.38 percent for the DAP (and 0.92 percent for ADIK of Stefanopoulos)-- a fact that permits the trend to the right to be reversed, if everybody resolves in earnest to confront the problem.

Let us explain: The steady rise in the rightist DAP is not the only problem. Another problem (and a large one) is the increased amount of non-participation that has been seen in this year's elections ((8 percent more than in last year's corresponding elections), which reveals the disillusion of a large number of students, the only gainer from which is the Right!

Thus the great winner in the elections is the DAP, which within 7 years has seen its percentage triple, going from 10 percent in 1980 to 31.38 percent this year. Just one month after the punching and kicking fights at the ONNED conference at the "Karavel" and two days after the condemnations of Mitsotakis at the "Sporting" meeting, the "blue" faction has been promoted to the position of number-one force, increasing not only its percentage (by 3 points in relation to that of last year), but also its absolute number of votes (by 400 in Greece as a whole).

Even though the KKE's Pan-Student group (PSK) lost its first-place position this year (going to second place with 30.38 percent) that it had held constantly for 10 full years (in 1976, with 26.9 percent it passed the PASP, in first place up to then), it increased its strength by 1 percent, although in absolute numbers it lost about 1,000 votes. The PSK was the only leftist progressive student faction that maintained its strength on an all-Greece basis, although in the large faculties (preeminently its bastion) it lost some votes (for example in the faculty of law, of philosophy, and so forth).

A loss was suffered by the "green" PASP, which paid for the damage caused by the government's policy (despite its political independence from PASOK), falling by 2 percent (it received 13.27 percent, compared to 20.43 percent last year). In particular the fact should be of concern to the "greens" that in no school did PASP get elected as the first-place power.

The DA-DE (Democratic Struggle-Democratic Unity) also paid for the damage from the problems in the KKE-Int. The supporters of "upgrading" and those of "redevelopment" did enter into a joint ticket, but they campaigned separately. The result: From amassing 10.14 percent in 1986, the DA fell this year to 7.96 percent.

The ADIK of Stefanopoulos showed how difficult is the role of its mother DI.ANA in conditions of polarization. Not only did it not profit (as its officers had hoped) from the problems of ONNED, it lost 500 votes (receiving just 722, compared to 1,237 last year) and got only 0.92 percent (against 1.46 percent in 1986).

The "Rallies" of the extra-parliamentary Left saw a small increase, collecting 4.10 percent (their percentage increased by about 0.5 percent) and 3,243 votes (2,996 in 1986).

The results at the technological training institutes were more encouraging: The DAP increased its strength by about 2 percent (going from 26.6 percent in 1986 to taking 28.48 percent this year), but it remained in second place, with the PSK again being in first place (and in increased strength, since it increased from 32.72 percent in 1986 to 33.35 percent this year). And here

the PASP had losses, although it continued at a high level (25.07 percent), whereas the DA lost about 1 percent, falling from 6.13 percent in 1986 to 5.6 percent.

Many persons will argue that today's young people, who have not known what the "Right" means, may vote conservatively, even if only as a reaction to the present discouraging situation at the advanced educational institutions. They may be right. But is it necessary (following the French example) for what the Right means to turn up again (as the French students learned about Chirac) in order for the awakening to happen? Very probably not. And this is a job for all the progressive forces. Now, and not tomorrow. That is, before it is too late.

12114

CSO: 3521/112

GREECE

POLITICAL

BRIEFS

AGREEMENT WITH PRC TV--ERT 1 [Hellenic Radio Television 1] and Chinese Central Television signed a cooperation agreement today providing for an exchange of programs between the two nations' television services. The accord, which was signed by ERT 1 Director General Nikos Sifounakis and by PRC Ambassador in Athens Chang Hongsheng, is valid for 2 years, with the option of extending it another 2 years. In addition to exchanging programs, the two television services can assist each other by sending teams to cover events of interest to the two countries. [Excerpt] [Athens Domestic Service in Greek 1130 GMT 20 May 87 NC] /9274

CSO, 3521/136

HOLKERI GOVERNMENT'S PROGRAM OUTLINED

Fifth Nuclear Plant Rejected

Helsinki HUFVUDSTADSBLADET in Swedish 29 Apr 87 pp 6-7

[Text] (FNB)--The new government's most important premise is that it will move from its own nationwide base toward a modern and equal welfare society. Carrying out controlled structural change implies special measures affecting the economy and working life, science, research, education, and culture.

So say the Social Democrats, the Conservative Party, the Swedish People's Party, and the Finnish Rural Party in their joint program for government. The 14-page-long program comprises about 20 points, with the controversial reforms in working life being discussed under a heading of their own.

Tax reform, which was one of the main issues in the election campaign, will be introduced as part of the budget for 1989. Among other things, the marginal tax rate will be reduced in all income brackets.

There is a promise to improve the child allowance, which was the other big issue in the final phase of the campaign.

The new government will also present a bill for direct popular election of the president.

The emphasis as regards language policy is on TV broadcasts, employment services, special medical treatment, health and social services, and so on.

Foreign Policy the Same

Finland's foreign policy under the new leftist-rightist government will continue the Paasikivi-Kekkonen line. In the area of friendship and cooperation with the Soviet Union, the government will see to it in particular that trade equilibrium at a high level is achieved and try to find new forms of economic cooperation.

The government will also continue the work to strengthen the nuclear-free status of the Nordic Region as well as security and mutual trust in the

region. It will work actively to promote international detente and disarmament.

The section on foreign policy also says that the government will improve Finland's ability to accept refugees.

In the section on foreign trade, special attention is paid to a greater diversification of exports and balance in foreign trade. The government will also endeavor to strengthen the multilateral international system of trade and work toward the mutual elimination of trade barriers.

Inflation Down

The most important goal in economic policy is the same as it has been so many times before: to reduce inflation and unemployment. The value of the Finnish markkaa will be kept stable.

It is emphasized in the program that these goals will be achieved through a consistent long-term economic policy that will support growth. The government promises to help see to it that the partners in the labor market and the firms support its anti-inflation policy.

In order for unemployment to be substantially reduced, the firms must be in a sufficiently good position to stand up to international competition. In order to reduce inflation and increase the diversity of supply, competition among the firms will also be made more effective.

Interest levels will be reduced, real interest rates will continue to be positive, and growth in government spending will be kept within the limits of stable taxation and national economic growth.

The government emphasizes that it is going to focus on employment, research, education, housing, families with children, and services for the elderly. Achievement of the goals in question will depend on economic development and the state's financial means.

Better Employment Services

The government will deal with employment problems through effective employment services, support for the voluntary mobility of manpower, training, and a number of special measures. Among other things, it will set aside money for solving the unexpected local employment problems caused by structural changes. The program promises that the number of personnel employed in the public employment service will be sharply increased.

The program also states that the government will see to it that employment services are provided in Swedish.

The government will also try to make it easier for Finns living abroad to move home.

Reforms in Working Life

The controversial reforms in working life have been included in the program, but no guillotine measures are to be found there. Most of the issues will be given further study.

Since the structural changes in production or working life will result in unemployment or layoffs, the employees' opportunities for retraining or redeployment will be studied within the framework of the cooperation procedure before decisions affecting their future are made. The government will also come up with a model for establishing cooperation between the firms, personnel organizations, and local and regional authorities.

The controversy over the so-called continuity principle has been resolved by providing that the partners in the labor market will study the issue first. The government will then take the necessary steps to speed up the handling of layoff disputes. The goal is to resolve disputes completely before the period of the layoff notice has expired.

Employees will also be provided with opportunities for appointing representatives to the decisionmaking bodies of the firms. The government will agree later on how those opportunities should be provided.

Concerning the personnel funds, the program says that the government will draw up its laws when the committee investigating the matter has completed its work. That committee's mandate expires at the end of the year.

According to the program, the government considers it important that forms of cooperation be developed to promote economic participation by employees, competitive production, and the financing structure of the firms.

The government also promises that it will join with the labor market organizations in investigating the possibilities for reforming legislation on working hours. The occupational safety laws will also be improved.

Tax Reform in 1989

The major tax reform will be introduced as part of the budget for 1989. Its basis will be the idea that all incomes should be taxed equally, that the jungle of deductions should be thinned out, and that the marginal tax rate should be reduced in all income brackets.

The program makes it clear that tax reform will not change the average tax rates in the various tax brackets. Nor will it result in a distribution of income worsening the situation of low- and middle-income earners or families with children.

The taxing of income from assets will be made more uniform, and the double taxation of dividend income is to be eliminated. Normal deposits will not be taxed. The sales tax is to be reformed, but the program does not say how.

According to the program, the entire tax reform is to be completed within 4 years.

Industrial Investment

The government wants to improve industry's competitiveness by supporting the research and development activities of the firms as well as their training and marketing programs.

Employers' social insurance contributions, which are currently based on wages, will also be reformed--that is, probably reduced--in the case of labor-intensive firms.

The government is also promising to take steps to improve the conditions for operation of the domestic merchant fleet.

Concerning state-owned firms, the program says, among other things, that the government will decide whether some of those firms can obtain additional financing in the private sector.

Lastly, legislation governing competition and the price control system will both be reformed. The government is also promising legislation in the field of securities trading.

New Farm Legislation

In its agricultural policy, the government is aiming at self-sufficiency, a secure livelihood for growers, less overproduction and export subsidization, and reasonable food prices. Family farming and other small holdings will be subsidized.

The government also intends to draw up a new law on farm income and to carry out a total reform of the law on farm holdings.

Forestry will be developed on the basis of the Forest-2000 program. At the same time, the possibilities for increasing timber sales will be investigated.

Professional fishermen--and, consequently, many Finland-Swedes--are also being remembered. The government is promising to reform the income system for professional fishermen and to submit the legislative bills required for the reform to Parliament.

No Nuclear Power

In the section of the program devoted to energy policy, the government, as expected, says no to a fifth nuclear power plant. At the same time, it will investigate alternative energy sources, promote energy conservation, and pay special attention to the environment.

Energy cooperation with the Soviet Union and the Nordic countries will be developed, and the use of natural gas will be increased.

The regional policy to be pursued by the new government will make possible a balanced development of all parts of the country. Legislation governing regional policy will be reformed.

The regional differences in unemployment are to be reduced, and the emphasis in regional policy will also be on education and know-how.

Among other things, the government is also promising to expand the Regional Development Fund's sphere of activity.

Futurological Research

The program emphasizes the importance of protecting national culture. All education is to be improved and made more flexible. Teaching of the country's other language for bilingual children will also be developed.

Appropriations for research and product development will be increased to support the structural changes. Futurological research will be promoted, and the government also intends to study the question of whether a special unit for futurological research could be established.

The Finnish Academy will get more money, as will students. It will be made easier for women to advance in a career.

Families With Children

In the field of family policy, the emphasis is on families with children. Family subsidies will be improved, with special attention being paid to the child allowance system. The goal is to make the subsidy better for all families with children. No timetable is set for the increases, nor is their size indicated.

The program promises complete freedom of choice as far as child care centers are concerned. Subsidies for home care will be improved, and everyone who needs a place in a communal child care center will eventually get it.

The government will also investigate the possibilities for extending parents' vacations and improving subsidies for care of the handicapped and of children with chronic illnesses.

In the field of health and social care, basic protection and means-tested social protection will be improved. The daily unemployment benefit and the supplement for children will rise during this electoral period.

The Swedish People's Party obtained inclusion of a statement that regional and also language aspects will be taken into consideration in providing health and social care, while the Conservative Party is probably responsible for the statement about effective measures to eliminate the waiting period for operations.

The problem of AIDS was also remembered. The fight against that disease will be made more effective.

Other measures in this field include the provision of regular dental care for more age groups. The situation of the handicapped will be improved, as will services for pensioners, social protection for combat veterans, and vacation arrangements for small businessmen.

More Housing

The program also states that the government's goal is to eliminate the housing shortage. At least 12,000 rental units are to be built every year with government loans. Depending on the situation in the money market, the government will also investigate the possibilities for extending the repayment time on housing loans.

The program says that the supply of rental housing on the free market will be stimulated, but it does not provide any details on how that will be done. On the other hand, it does say that elimination of the tax on rental income, stamp taxes, and a reform of interest deductions will be considered in connection with the tax reform.

In the field of environmental policy, the government will, among other things, establish a system under which anyone causing environmental damage can be obligated to repair the damage done. A large portion of the environmental legislation will be revised, and environmental research will be made more effective.

Investments to protect the environment will also be encouraged through the tax system.

TV Broadcasts

In the area of culture, the government will see if there is any way to make the laws on state subsidies uniform. Important cultural events will be subsidized, and steps will be taken to correct the problems with taxes withheld at the source.

The government is also promising a program to encourage exercise and support for the production of domestic programs in the broadcast media.

As regards its policy on the mass media, the government is promising to provide better conditions for activities by the Broadcasting Corporation by revising the law.

Programs from the Swedish Television Corporation will be transmitted to Finland and vice versa. Local radio activity will be developed, and data traffic will be improved. The conditions will be created for expanding the cable system.

In its section on traffic policy, the program promises better roads and improved traffic safety. A study will be made to determine whether a reform of road taxes is needed.

Presidential Elections

In its chapter on laws and legal protection, the program says that the government will present a bill providing for direct popular election of the president in two stages.

The draft of a new law on self-government for Åland will be submitted to Parliament as soon as the Åland Committee turns in its report.

The law on associations will be reformed, and work on a complete revision of the Penal Code will continue.

In its section on public administration, the program says that the papers and documents produced by the authorities are to be available in both Finnish and Swedish simultaneously in Swedish-speaking and bilingual areas.

The government will also submit a bill for improving the administration of special medical treatment. The law on special medical treatment will include a provision giving the patient the right to be cared for in his or her mother tongue. To ensure that that right is provided in practice, the law will also include provisions concerning minority language boards, areas of shared responsibility, and the dividing up of management in bilingual medical districts.

East Bloc Trade Structure

Helsinki HUFVUDSTADSBLADET in Swedish 20 Apr 87 p 6

[Excerpt] Conservative Party on Trade Commission

Provided that old-established principles are followed, the solution for government means that the entire political leadership of the Finnish-Soviet Joint Economic Commission will be replaced. It looks as though the Conservative Party will have a very strong position in that new leadership.

At the moment, Prime Minister Kalevi Sorsa is Finnish chairman of that commission. If the same principle continues to be observed, that post will go to Prime Minister Harri Holkeri. The posts of deputy chairman will go to Minister of Finance Erkki Liikanen and Minister of Foreign Trade Pertti Salolainen. The third deputy chairman is currently Under Secretary of State Paavo Kaarlehto, and the fourth deputy chairman is Minister Tankmar Horn, head of the Finnish-Soviet Chamber of Commerce.

Under the terms of a relatively new regulation, it is the president who appoints the Finnish members of the commission. Of those members, the chairman and no more than two deputy chairmen must represent the cabinet.

Paper Comments on Program

Helsinki HUFVUDSTADSBLADET in Swedish 29 Apr 87 p 2

[Editorial by Rafael Paro: "The Government Program"; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] Viewed as a whole, the new government program is well balanced. The only question is how much internal tension it actually conceals, writes Rafael Paro in this commentary.

The government program presented by the four future coalition parties on Tuesday afternoon is unusually voluminous and detailed. If one is looking for a specific intention behind that document, it is the intention to prepare for structural changes both in our country and in the rest of the world. The program emphasizes that special measures are needed in the economy and working life, science, research, education, and culture so that the structural changes can be carried out in a balanced and controlled manner.

Kalevi Sorsa of the Social Democrats and Ilkka Suominen of the Conservative Party both expressed their satisfaction with the program in its final form. Suominen was especially pleased that his party had gotten its objectives with respect to economic policy and employment included. He laid special stress on the program's recognition that private enterprise and the principles of the market economy form the basis of the government's economic policy.

It thus appeared that old ideological dividing lines had been done away with--at least for the moment--since Kalevi Sorsa was able at the same time to say that the Social Democrats had gotten everything they wanted in the program negotiations.

The truth, of course, is that there is always something for everybody in a program for a coalition government. In due course, the declared political will is going to be placed in its proper relation to the real power in the government. Satisfaction among the Social Democrats ought to be rather great, since they will control the ministerial posts from which the most influence can be exerted on economic policy and structural change.

Talking about the challenges which the structural changes are going to present to the citizens puts many of today's ordinary problems in a more profane light. One looks in vain for any bold new ideas concerning the shortage of rental housing, employment problems, the tight situation of families with children, care of the elderly, and so on.

Perhaps the new government's most important promise is that it will carry out a complete tax reform. In this case it is following trends that have appeared in many other places in the industrialized Western World. The old tax laws have grown into a thicket that is impeding dynamic economic development.

The big tax reform is to be introduced with the budget for 1989. The starting point is the idea that all incomes will be taxed the same--thinning out the

profusion of deductions and reducing the marginal tax will not change the average tax rates for the various tax brackets. Nor must it result in a distribution of income worsening the situation of low- and middle-income earners or families with children. The program also says that the taxing of income from assets will be made uniform and that the double taxation of dividend income will be eliminated. It is stated specifically in the program that ordinary deposits will not be taxed. Studies and reforms in connection with the sales tax are also promised. But the wording is a little vague.

It is obvious that with their promise of a total tax reform, the program's authors saw an opportunity to set their sights on solutions to a number of other problems. As one example, there is reference to tax reform in the discussion of housing issues.

To all appearances, the blue-red government is trying in its program to alleviate concerns that it is going to move ruthlessly ahead with its regional and agricultural policies. The program says that the government is aiming at self-sufficiency, a secure income for the growers, less overproduction and export subsidization, and reasonable food prices. It may seem that all those things cancel each other out, but the government says it unequivocally supports agriculture based on smallholdings and family farms. But what the future will really look like will depend on the new farm income law which the government intends to draw up and the complete reform of farm holdings which is to be carried out.

Concerning regional policy, the government pledges to pursue a policy that will permit the balanced development of all parts of the country. The emphasis with respect to support for regional policy is on education and know-how. But the most specific changes may come about through the new legislation on regional policy that is being promised.

The program is wordy on the subject of employment. The text seems to have been written with great care, and it is full of many good resolutions. What is new is the specific expression of support for labor mobility, although that mobility is to occur on a voluntary basis. Labor mobility will be encouraged by providing training opportunities and housing.

Not much space is devoted to trade and industry in the program. The desire is to promote industrial competitiveness by supporting the research and development activities of the firms as well as their training and marketing programs. The important question of the future of energy supplies in our country is answered in the government's promise to see to it that cheap energy is available. On one point, however, there is unambiguous and definite information: no new nuclear power plants are going to be built.

Generally speaking, the government program's section on foreign policy follows well-known patterns. A pledge is made to follow the Paasikivi-Kekkonen line, and relations with the Soviet Union are stressed on the basis of the Treaty of Friendship, Cooperation, and Mutual Assistance. The traditional cooperation with the other Nordic countries will be developed further.

Also included in the government program is the statement that Finland's aid to developing countries will be increased to 0.7 percent of GNP by the end of this decade. The government also pledges to develop the country's ability to accept refugees. No figures are given.

In view of European integration efforts, the government program also expresses a number of intentions with respect to foreign trade policy. The aim is to safeguard the country's interests in our most important market areas in connection with the anticipated changes. It is emphasized that this will be done in accordance with Finland's foreign policy line.

Viewed as a whole, the new government program is well balanced. The only question is how much internal tension it actually conceals. It has been suggested in various connections that the makeup of the government which Harri Holkeri now represents is chiefly an arrangement concerning power in the republic, whereas the question of how that power is to be used was secondary. The government program provides a wordy but also ambiguous answer.

Sorsa May Day Speech Viewed

Helsinki HUFVUDSTADSBLADET in Swedish 3 May 87 p 2

[Editorial by Larserik Haggman: "The Speeches Mirrored the Present Situation"; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] The Social Democratic Party's profile in its May Day speeches reflects the problems arising from the party's government commitment, writes Larserik Haggman, who in the light of those speeches notes a number of features present in the political situation as it exists just now.

This year's May Day speeches clearly reflected the political situation that has arisen following this spring's parliamentary elections and the solution for government that materialized this week.

In itself, the difference in comparison with last year's speeches may not have been as great as expected, but it was plain enough.

The target of the criticism by SDP [Social Democratic Party] speakers, then as now, was the Center Party, but this time the tone seemed considerably clearer.

The most striking difference in the SDP's speeches, however, was the lack of a clear profile in relation to the party's chief ideological opponent, the Conservative Party. This clearly reflects their cooperation in the new government.

Harri Holkeri's new government influenced SKDL [Finnish People's Democratic League] speakers almost as clearly. Almost without exception, they criticized the SDP in tones that have been all but totally absent for many years.

If we add to that the Conservative Party's obvious satisfaction with the situation and the Center Party's generally critical tones, the speeches

provide a good picture of the shifts in the political constellation that have taken place.

And in that respect, several new features must be noted.

To begin with the biggest party, it is not at all certain that the SDP's position is an especially happy one, the reason being that the conflicts which always accompany political life are quite obvious.

Following its election setback, which was felt even though it resulted in a minimal loss of seats in Parliament, we can expect the party's own policy to become more sharply defined. To all appearances, that is inevitable, considering that because of the way election mathematics work, even a moderate loss of votes in the next election will have a drastic effect on the number of seats in Parliament.

The problem involved in sharpening that image--which would have been an easy task if the party were in the opposition--is that in all likelihood, the effort will have to be directed against the Conservatives. The question of how to combine that with membership in a coalition government which includes the Conservative Party will be the number one stumbling block for the SDP.

So far, most of the party's problems have had to do with the role assigned to it as the main coalition party, but now the conflicts are going to grow even stronger.

Added to that is the problem of its left flank, which first under the people's front governments and then during the time of the communist split was well protected and did not require any special attention from the party leadership.

Today the situation is different. With the Conservative Party in the government and two communist wings in the opposition, a new party leader will simply have to attend to that flank.

The type of policy that seems to be in store for the SDP is one of greater distance between the party leadership and its group of ministers. There is scarcely any other way to interpret the scenario put together in preparation for the SDP congress where Sorsa will make his exit.

That policy may function satisfactorily, of course, even though the SDP's brother party in Norway, as one example, has had bitter experience with a division of labor of that kind. But it will not be an easy task, and the danger of winding up on two chairs is obvious.

May Day speeches are always May Day speeches, but the intentions of the Social Democratic leaders stand out, in that light, as just the kind of image-building that may become a problem for the government.

Continuing with the left half of the political field, we see that the SKDL's only real problem is to keep a tight enough rein on its criticism of the SDP to ensure that the bridges of cooperation on the left are not burned

completely. If the current situation does not pay dividends in the form of increased support, the People's Democratic and Communist leaders will have only themselves to blame.

On the nonsocialist side, the Conservative Party is obviously going to escape somewhat more easily than the Social Democrats. After 21 years in the opposition, the ministerial posts are a victory in themselves. Whether cooperation in the government is going to activate the rightwing forces within the party which have led a languishing existence for a number of years is another question.

It is very clear that the party's opponents are expecting its participation in the government to have a harmful effect on the development of social welfare, and that is something which the party leadership will surely have reason to think about after everyday routine starts to take hold in the government.

In the case of the Center Party [KP], it seems that the future will depend mainly on the line of opposition adopted by that party. If the participants in the new government coalition manage to handle government policy efficiently, it will be of the greatest importance for the Center Party to keep in mind the party voices that were already being raised in the May Day speeches in favor of preserving the party's ability to cooperate with others.

If the KP starts trying to draw maximum dividends from a sharply defined general nonsocialist alternative, it is apt to find itself dependent on the Conservative Party's good will in the future. That, in turn, would mean the KP's loss of the key role it has long played in Finnish politics.

Another political dimension of importance to the KP seems to be its regional base. It is conceivable, to be sure, that the party will further extend its share of seats in Parliament to include areas north of Salpausselka, but the question is whether doing so will make it sufficiently effective from the standpoint of national politics.

Lastly, the situation for the government's two smaller parties seems clear enough. The Finnish Rural Party has concentrated on keeping its place in the cabinet as long as its parliamentary support makes it valuable, and the SFP is following the same principle, but is obviously trying to move gradually beyond its traditional role of looking after language policy toward a more independent profile that will also yield results in Finnish-speaking quarters.

Even though this year's May Day speeches reflected to a large extent the new political situation and the relationships that have arisen following the parliamentary elections, the emphases in the speeches by the SDP's orators seem to indicate that there is reason to be especially careful in examining that party's future maneuvers.

11798

CSO: 3650/142

BRIEFS

PCI ENROLLMENT INCREASES--"The big party mobilization produced positive results." On Botteghe Oscure Street they are very satisfied with the progress of the 1987 sign-up campaign. In mid-February of this year, new memberships had already reached some 1.2 million, some thousands above the same period last year. "But the most significant fact," as they are also saying at the Communist Party, "is that, among these 1.2 million sign-ups, at least 20 thousand have never before held a party card." Another very significant fact is that, among these 50 thousand, 80 percent consists of young people from 25 to 35 years of age. Among the big cities, those farthest along in the membership campaign are Bologna and Rome. The campaign's results have been good in the middle-sized cities in the North as well. [Text] [Rome L'ESPRESSO in Italian 22 Feb 87 p 33] 13070/12379

CSO: 3528/101

ABSOLUTE MAJORITY IN PARLIAMENT PSD GOAL IN COMING ELECTIONS

Lisbon SEMANARIO in Portuguese 16 Apr 87 p 6

[Article by Marcelo Rebelo de Sousa: "Cavaco One Step Away From Another Victory"]

[Excerpts] Two weeks ago we described 13 scenarios of a possible outcome of the political crisis unleashed by the motion of censure of the PRD.

Less than a week ago we explained why it was, in our opinion, that the crisis, such as it was unleashed, objectively and perhaps subjectively served the tactical and strategic objectives of the PCP [Portuguese Communist Party]. We gathered the statements of three scenarios, which corresponded to the most probable paths the president of the republic could take from now until the beginning of May.

Five days past, and the elements available on the consultations undertaken by Belem and the different positions of the political parties with parliamentary seats, pondered, one of the three scenarios tends to loom as the most plausible: The scenario of the dissolution of the Assembly of the Republic with the convocation of early legislative elections in July, with the present PSD Executive remaining in the exercise of his office, although only as a caretaker government.

However, if the apparently most probable scenario is that of elections in July with day to day administration assured by this Executive, the prime minister and leader of the PSD has to know how to suitably exploit that enormous, great victory in the unfolding of a political crisis that has him and his government as important targets.

Exploiting the victory means suitably preparing an absolute majority in the Assembly of the Republic, without which there would be a return for the worst to a situation identical to the one in which a minority, weak, frail and precarious government has just fallen in Sao Bento, a government doomed to continue suffering until the oppositions remember to put an end to it.

The achievement of an absolute majority in Parliament is the essential desideratum of the PSD from now until July, once the scenario of early legislative elections is confirmed. At the bottom of all this is an attempt to attain, less than 2 years afterward, what could not be attained in October 1985. There are the additional advantages (and fundamental) of having had an exemplary experience with respect to the radius of action allowed a minority government; of it being possible to conclude the 4-year legislative term; of having the term of the legislature cover the length of the presidential term, which gives a new possible majority a fearful negotiation weight that the PSD did not have up to now; and even of providing a desired stability of many years. Perhaps it may even be a decade of government with the same prime minister.

What to do so that the parliamentary majority we advocate since 1985 becomes a reality?

Everything depends on the option by the prime minister on the Social-Democrat electoral strategy.

Supposing that he would be inclined not to have the PSD make an electoral alliance with the CDS [Social Democratic Center Party], competing alone, he would have to reach or exceed 40 percent. Then, in that case, even as a minority, he could form an alliance in the Parliament with a CDS of 5 percent, 7 percent or 9 percent. Based on the principle--which appears to be information acquired in the best informed circles of the PSD--that the prime minister does not accept the idea that would be the safest, but which does not appear to arouse enthusiasm among the social-democrat strategists, that of a preelection coalition with the CDS, then it is necessary to delineate and execute an orientation in two phases.

First phase--The launching of an extremely powerful electoral campaign that is based on the past actions of the government, does not speak about the majority objective (so as not to create oppositions in the left), benefits from the prestige of the prime minister and his economic management, and leads the PSD to nearly 40 percent, which is perfectly likely if one trusts in the most recent surveys (see the one published in this edition of SEMANARIO).

Second Phase--Place the Centrist deputies meanwhile elected, in a post electoral coalition in which the CDS has much to win and nothing to lose, lining up with the PSD or running the risk of serious danger to its present leadership, particularly if it had been overwhelmed in terms of vote percentages. Therefore, following a strategy along the line followed up to now by the PSD, an absolute parliamentary majority would be a feasible goal. Another path, as we said, and less dangerous, would be a PSD-CDS coalition. This would lead the prime minister and leader of the PSD to come to terms with the president of the CDS, both prudently forgetting reciprocal complaints or grievances, ranging from founded accusations of PSD arrogance, to plausible suspicions of the PSD of involvement by responsible Centrists in the siege of the government that is taking place after the present political crisis.

There is nothing much to learn. With elections in July and a caretaker PSD government, the prime minister is unstoppable on the way to victory. In order for it to be clear, peremptory and inexorable, he has to manage to obtain an absolute majority in the Assembly of the Republic. In order for it to go from a dream to a reality, he either joins with the CDS as of now or risks everything on the overwhelming rise of the PSD and on a government of an "a posteriori" coalition between a PSD with 40 percent and a CDS with whatever it could obtain, with the belief that the Centrists would have no alternate path to the always desirable return to the Executive for 4 years.

A probable immediate winner of the crisis, because of the sensibleness, discretion and reliability that we have already emphasized here, the prime minister is going to have to choose between coexisting with the president of the CDS in a cautious and accommodating manner, or subject him in the future to the requirements of a postelectoral agreement, in view of which, if the elections crown the impressive growth of the PSD in the surveys with success, the CDS president either lines up, with all the advantages of being in power, or he refuses, with all the risks of an internal squabble with inevitable external pressures.

8908

CSO: 3542/87

DISSOLUTION OF PARLIAMENT SEEN AS VICTORY FOR SOARES

Lisbon SEMANARIO in Portuguese 24 Apr 87 p 6

[Article by Marcelo Rebelo de Sousa: "Semipresidentialism Won"]

[Excerpts] The president of the Portuguese Republic is going to dissolve the Assembly of the Republic and is going to schedule a date for early parliamentary elections.

We forecast this a week ago. However, the important thing is not foresight; it is the presidential decision in itself.

Dr Mario Soares decided there should be elections.

Dr Mario Soares did not wish to appoint a prime minister to form a new government with the present composition of the Assembly of the Republic.

As has already been seen in our constitutional practice of 11 years, there were cases in which the president of the republic dissolved Parliament against a majority of the Council of State (in 1983 and 1985) and even against a parliamentary majority (in 1983). There were cases in which the president of the republic selected a prime minister within the framework of the preexisting Parliament, either from the political parties with seats in Parliament or a personality independent of them.

Any of the solutions to the crisis above listed was constitutional. Any of them could have been the choice of Dr Mario Soares. In any of them Dr Mario Soares would not have, nor will he have, alibis. He could not honestly say that he would not dissolve the Assembly because the majority of the Council of State was against him or because the majority of the deputies were against him. He could not honestly say that he was dissolving the Assembly because no one presented him with a government to appoint, whether that someone were Dr Cavaco Silva, Dr Constancio or a third party, more or less invested with a favorable, or at least less unfavorable, parliamentary majority.

Being the president of the republic in Portugal today has these inescapable attributes: It confers essential powers but imposes supreme responsibilities, it means determinant decisions but it prevents justifications for avoiding responsibility.

Dr Mario Soares had to choose and he chose. By choosing early elections, he chose well.

Not that any of the other alternatives was unconstitutional, but this was politically the wisest in our opinion.

It is the only one that does not simultaneously reestablish a minority, weak PSD government such as the preceding, nor does it give the PS [Socialist Party] a government that would be ethically debatable, politically mortgaged to the PCP [Portuguese Communist Party] and personally contradictory to that which Dr Soares always advocated as a party leader. Neither does it point to an Executive presidentially selected and groomed, a formula greatly attacked by the president of the republic even before he arrived at Belem.

However, beyond being politically correct, the dissolution of Parliament brings with it a very important meaning that it is well to point out and which, although only in its theoretical outlines, strangely enough it was already dealt with in the "memorandum" that Dr Diogo Freitas do Amaral delivered to Dr. Mario Soares.

By deciding to call for early legislative elections, Dr Mario Soares clearly and without subterfuge assumes, whether he says it in public or not, that he is the head of state in a semipresidential government and not in a parliamentary system of government. If he were the head of state in a parliamentary system of government, Dr Mario Soares would remain hampered with respect to the dissolution of the Assembly of the Republic only because the number of deputies opposing dissolution is greater than those supporting it. If he were head of state in a parliamentary system of government, Dr Mario Soares could feel the temptation of being a President Cossiga resolving the Italian political crisis.

However, he is not. Dr Mario Soares is the head of state of a semipresidential system of government and in it the head of state is not obliged to obey the will of the majority of the deputies in the Assembly of the Republic. He may or may not obey it.

By showing his support for the semipresidential nature of the Portuguese system of government, Dr Mario Soares is adequately fulfilling his function and, at the same time, repairing an error and practicing an act of justice.

A little more than a year ago, in the midst of the electoral campaign for the Presidency of the Republic, there was a confrontation, not only between the right and the left, but also and peradventure, a parliamentary and a semi-presidential viewpoint of the office of head of state.

At that time Dr Soares fully personified the parliamentary view of the head of state and Dr Freitas do Amaral the semipresidential point of view, which in our view is the most correct.

At that time, the parliamentary point of view won over the semipresidential.

What an irony of fate that afterward, in the first crucial decision he had to make as president of the republic, Dr Mario Soares had to bravely assume the profile, the viewpoint of head of state he defeated in February 1986!

A year and a very few months afterward, semipresidentialism defeats parliamentarianism in Portugal.

The dissolution of the Assembly of the Republic is not only a well deserved victory of Dr Anibal Cavaco Silva.

It is also a very clear victory for semipresidentialism. Which means, in other words, the correction of an error and a token of justice awarded to Dr Diogo Freitas do Amaral and to all those who voted for him opting for semipresidentialism, to which in good time Dr Mario Soares has just converted.

8908

CSO: 3542/87

VOTER LOYALTY, VACATION EFFECTS ON ELECTION ANALYZED

Voter Loyalty Demonstrated

Lisbon EXPRESSO in Portuguese 26 Apr 87 p 4

[Article by Jorge de Sa: "PSD, PS Voters are the Most Loyal"]

[Text] A greater loyalty to their own party by voters of the PSD and PS [Socialist Party], and the subsequent tendency toward the bipolarization of Portuguese political life, are the main conclusions to be drawn from an analysis of the replies to a question recently asked (early in April) of a representative sampling of the voters of the Continent (EXPRESSO/Euroexpansao Panel): "If the party for which you are thinking of voting did not compete in the elections, would you vote?" If yes, for which party?

Of the voters who intend to vote for the PSD in the coming elections, 41 percent would not vote for another party in case the PSD did not compete in those elections. That type of loyalty by the voters applied to 36 percent of the present potential voters of the Socialist Party.

On the other hand, a clearly lower percentage of the voters who are thinking of voting for the PCP [Portuguese Communist Party], did not show they had a second voting choice. Actually, only 20 percent of the present "voters" of the CDS, 25 percent of those of the PRD and 26 percent of those of the PCP would not vote for another party (they would abstain or vote in blank or null) if their present choice were not in the elections.

A study of this question could reveal itself to be of great interest in the redefinition of strategic pictures and the respective tactical developments of the coming electoral campaigns.

The "Second" Party Options

Generally, the potential PSD voters who chose a second party in case the PSD did not compete, are divided between the CDS and PS, with 32 percent choosing the former and 26 percent the PS.

In the case of the present potential voters of the PS, 31 percent named the PRD as the "second" electoral option, and 23 percent chose the PSD.

With respect to the PCP and CDS, which traditionally present the greatest degree of voter loyalty, the present permeability of their potential voters merges with the fact that these voters represent an already reduced part of the voters who chose these political forces in October 1985.

Of the "present" voters of the PCP, 38 percent chose the PRD and 25 percent the PS (and 9 percent the PRD) in the hypothetical situation that the Centrists did not represent the voters.

Of the voters who declared they would vote for the PRD in case of elections, more than half (53 percent) would give their votes (they would return?) to the PS in case the Eanes supporters did not compete. The remainder would be divided in almost equal parts between the PSD (12 percent) and PCP (10 percent).

The fragmentation of these electoral attitudes in regional, age, sex and educational terms is considered of great importance for the establishment of the electoral strategies already mentioned.

It is noted, as an example, that the "loyalty" of the voters who are thinking of voting for the PSD is greater in the south than in the north and that it is more prevalent among men and the younger people; or also that the choice of the Eanes party as a second choice of the "present" Socialist voters is more prevalent among those who have a greater degree of education or those who live in the interior zones of the country.

July Vacations During Elections

Lisbon EXPRESSO in Portuguese 26 Apr 87 p 4

[Text] Between 8 and 10 percent of the Portuguese will normally be on vacation outside their usual homes during the coming month of July, period in which the next elections will be held. This calculation, made on the basis of surveys by the General Directorate of Tourism of Portuguese vacations, may help to forecast their possible abstentionist effect in case the elections are scheduled for July. The month in which most vacations are taken continues to be August, which is chosen by between 25 and 30 percent of the Portuguese.

In 1984, 1985 and 1986, only 10 percent of the population selected July for its annual rest, during which nearly three-fourths of the vacationers leave their homes.

With the exception of the Lisbon district, the largest part of the travel during holidays is not very far from home. For example, nearly 60 percent of the inhabitants of the Porto district generally spend their vacations without leaving their region. The same thing happens with identical percentages with those of Minhos, Tras-os-Montes, Beira and Algarve regions. The same goes for Lisbon; nearly a fourth of the residents who enjoy vacations do not leave the district, nearly 20 percent of them do not go beyond Setubal.

These numbers indicate that the movements during vacations are not very great for the largest part of the Portuguese; which means that even if elections were to catch them during their vacation, it would not be difficult for them to go to the area in which they are registered to vote.

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CSO: 3542/90

PRD STRATEGY: DESTROY IMAGE OF SOARES WITHIN PS

Lisbon EXPRESSO in Portuguese 26 Apr 87 p 33-R

[Article by Eduardo Prado Coelho: "Two Strategies in Confrontation"]

[Text] Truly, given the development of events, certain actions concluded by not having too much importance. However, it is well to note that in this terminal phase of the crisis, the PRD [Democratic Renewal Party] saw some considerable obstacles to the hypothesis of a government only of the Socialist Party with independents (without saying anything, obviously, about the hypothesis of a PS [Socialist Party]/PRD government).

It was, in the first place, General Eanes himself, when he appeared unexpectedly to propose an enigmatic oversight committee of the activities of that possible government of the left. It was a most original idea, which it was very unlikely would be taken seriously, but which had a precise function in the process of a possible PS/PRD approximation: The creation of artificial difficulties.

Later there were statements by the leaders of the PRD themselves, who declared that they would maintain the same position with respect to a PS government that they had maintained with respect to the PSD government. We have to agree, with the overall process of events considered, such a statement could not but be heard with an enormous smile. We are certainly in the era of black humor.

How can this behavior be explained? We have to go back to the hypotheses heretofore formulated, but perhaps somewhat forgotten: The motion of censure against the government of Cavaco Silva was aimed basically at harming the president of the republic and the Socialist Party.

This is not the result, I emphasize, of any perversity intrinsic to persons or parties, but of the rationality of action of political agents.

Let us recall the facts:

a) The PRD was born, as has been said repeatedly, given the frustration caused in many sectors of the social democrats and socialist democrats with respect to the repeated procedures of the PS;

b) Under these circumstances, either the PRD assumed a circumstantial function and accepted the hypothesis of its dissolution once the results it sought were achieved in the midst of the PS, or the PRD had a structural function (that is it took the place of the PS and occupied the space of democratic socialism).

c) The hesitation by General Ramalho Eanes destroyed any chance of the occurrence of that structural function.

d) The ambitions of Gen Ramalho Eanes (to be president of the republic again) destroyed the idea of a party that had only had a circumstantial function.

e) The last hypothesis, of giving specific ideological configuration to the PRD plan, disappeared with its refusal to support the candidacy of Maria de Lourdes Pintasilgo.

f) The last hypothesis of conferring hegemony in the left to the PRD miscarried because of the hesitant and confused manner in which Salgado Zenha was led to defeat.

g) Under the present circumstances, and excluded that famous moral attitude, which after taking a good look at things, has sunk very low, there is no one difference, in terms of positions within democratic socialism, that justifies the existence of the PRD. In logical terms, if the PRD were basically interested in strengthening the left against the right, it would have only one path to follow: Accept its circumstantial vocation and dissolve itself.

h) By not doing it, the PRD has two simultaneous functions: It is a permanent factor in the weakening of the left and, on the other hand, is a permanent factor of irrationalness (In the degree in which, in parliamentary terms, no one wanted to appear less in opposition than others, it led the opposition to become radicalized to the point of taking absurd positions). What good is the PRD? It serves for being able to insure the hypothesis of a new Eanes candidacy to the Presidency of the Republic. There is nothing wrong with this. It is perfectly natural that whoever takes the path of political life insures conditions for victory on it. General Eanes can always say that the reemergence in force of the PRD will depend on his return to Belem.

It is in this context that the presentation of a motion of censure against the government of Cavaco Silva makes sense. It was supposed to do several things:

a) Establish the PRD as a party with political initiative;

b) erode the image of Vitor Constancio as the head of the PS;

c) seek to weaken the possible support base for a new candidacy of Mario Soares. As is known, and within a logic resulting from the many declarations

made (but never was it truly ascertained how much the "praise" of Cavaco Silva by Eanes was actually meant as a sort of negative image of Mario Soares) by Eanes, he tried an approximation with the PSD, which supposedly had the following strategy: "I am the only candidacy possible for opposing Mario Soares because it is the only one capable of radically disorienting the voters distributed between the left and right."

This approximation by Eanes, however, had one difficulty: The environment in which "one says 'kill' and the other says 'scratch' ", that has appeared between the PS parliamentary group and the parliamentary group of the PRD.

This strategy having failed, there remains only one: Eanes will have to appear as the candidate supported by the PRD, PCP [Portuguese Communist Party] (like Zenha) and by all the sectors of the democratic left possibly frustrated by the fact that the PS has not managed to replace Cavaco Silva.

To do that, it is in his interests to destroy the image of Mario Soares within the PS as much as possible and create the greatest internal fragility in the Socialist leadership.

It is up to the Socialists to unhesitatingly reconquer the hegemony lost within the left and to do it within a very intensive strengthening of the bonds between Mario Soares and the PS. To do that, it is necessary to show that the motion of censure by the PRD was irresponsible, inopportune and adventurist.

8908

CSO: 3542/90

VARIOUS ELECTION SCENARIOS, RUMORS ANALYZED

Lisbon O DIABO in Portuguese 28 Apr 87 p 4

[Column by Luis Todo-Mau: "Witticisms and Gossip"]

[Excerpts] Faced with the numbers of the polls considered as "technically perfect," the PSD concluded that in elections in July it would obtain "only" between 38 and 40 percent of the votes (which in a system with five parties is amazing). That is the reason the faction that advocates an agreement by the government with the CDS [Social Democratic Center Party] is returning to a majority position. The CDS, however, is already thinking of its electoral slates, which should include important members of the three large factions in the party such as Freitas do Amaral, Lucas Pires, Morais Leitao, Nogueira de Brito, Fernando Seara, Gomes de Pinto, and so forth.

Also with respect to the CDS, it is known that the party is open to the entry into its lists of "independents of the right," and it also speaks of "courting" certain "traditionals" such as Cunha Reis, Sousa Machado and Rui Seabra (a sign of the unavailability of the latter in the national team he has so brilliantly defended against wind and seas?)

Although it is not well known, the truth is that in recent days it was the PRD [Democratic Renewal Party] that headed the process for preventing the convocation to elections, even declaring that it would make possible a PS [Socialist Party] government with nothing in exchange. Polls in the hands of the PRD explain the new crusade, but there are those who say that there are some fears related with the Camarata case. Could it be?

8908

CSO: 3542/90

REACTION TO EUROPEAN PARLIAMENT VOTE ON 'ARMENIAN RESOLUTION'

Commission Approves Resolution

Istanbul MILLIYET in Turkish 26 Feb 87 pp 1,13

[Ahmet Sever report]

[Text] Brussels--The Political Commission of the European Parliament approved the draft resolution prepared by Belgian parliamentarian Jaak Vandemeulebroucke on the Armenian question by a vote of 25 ayes, 23 nays and 2 abstentions. Acting on a proposal by West German socialist parliamentarian Klaus Hansche, the commission agreed to tone down the resolution and to replace the term "genocide" with "tragedy." The "Vandemeulebroucke resolution" was significantly changed after these proposals were incorporated in it.

During the voting, attended by all the members of the Political Commission, the socialists, the communists and the Greens voted for the proposal while Christian Democrats, conservatives and liberals voted against it.

The resolution which was approved without any reference to a "genocide" describes the events of 1915 as a "tragedy." The resolution incorporates both the Armenian and the Turkish viewpoints and thus avoids "taking sides."

Vandemeulebroucke's references to the UN's "Whitaker report" and the "genocide" verdict of the Permanent Peoples' Tribunal in Paris were deleted from the resolution. Instead, the resolution "deplores the injustice the Armenian people were subjected to in 1915."

The paragraph in the original resolution calling for "the recognition of the genocide by the EEC Ministerial Council and the Turkish government" was also deleted and was replaced by: "In view of the tragedy the Armenians were subjected to, the Parliament concurs with the Armenian demand that the rights of minorities in Turkey be guaranteed and that all minorities be able to exercise their human rights within the framework of the Turkish Constitution."

The phrase "the controversial nature of the Armenian problem cannot justify terrorism" was substituted for the following segment: "The recognition of the Armenian genocide by the Turkish government would not have any binding effect by international law. It would only provide a moral boost to the Armenians and would enhance the respectability of the Turkish government."

The passage of the resolution without references to "genocide" was described as a "lesser evil" for Turkey which wanted the resolution to be fully rejected. While the outcome of the vote is not the success the Armenians were hoping for, they are pleased with the fact that it paves the way for the discussion of the resolution by the full session of the European Parliament.

The resolution adopted by the Political Commission will be discussed at general floor sessions in the coming days. During that discussion parliamentarians will be able submit proposals to amend the resolution. After the discussion, the report will be voted on and, if approved, will become a parliamentary resolution.

[Box p 13] Those Who Voted Against the Resolution

Almedia Mendes (Portugal, Liberal); Tom Normanton (UK, European Democrat); Antoniozzi Dario (Italy, Christian Democrat); Lord Bethell (UK, European Democrat); Delorozoy (France, Liberal); Erik Blumenfeld (FRG, Christian Democrat); Egon Alfred Klepsch (FRG, Christian Democrat); Nicolas Estgen (Luxembourg, Christian Democrat); Ludwig Fellermaier (FRG, Socialist); Luc Beyer de Ryke (Belgium, Liberal); Otto Habsburg (FRG, Christian Democrat); Pieter Danker (Holland, Socialist); Gustavo Selva (Italy, Christian Democrat); Marlene Lenz (FRG, Christian Democrat); Richard Balfe (UK, Labor); Jean Penders (Holland, Christian Democrat); Guimon Ugartechea (Spain, Christian Democrat); Elmar Brok (FRG, Christian Democrat); Hans-Gert Poettering (FRG, Christian Democrat); John David Taylor (UK, European Democrat); Claus Toksvig (Denmark, European Democrat); Azlasdair Henry Hutton (UK, European Democrat); Derek Prag (UK, European Democrat).

Those Who Voted For the Resolution

Boesmans (Belgium, Socialist); Giuseppe Amadei (Italy, Socialist); Marques Mendes (Portugal, Centrist); Yvette FUILLET (France, Socialist); Coste Floret (Portugal, Centrist); Ephremidis (Greece, Communist); Gene Fitzgerald (Ireland, Centrist); Campinos (Portugal, Socialist); James Glyn Ford (UK, Socialist); Lydie Schmit (Luxembourg, Socialist); Baillot (France, Communist); Tzounis (Greece, Christian Democrat); Ernest Glinne (Belgium, Socialist); Gerd Walter (FRG, Socialist); Klaus Hansche (FRG, Socialist); Jean Besse (France, Socialist); Jaak Vandemeulebroucke (Belgium, rapporteur); Papakyriazis (Greece, Socialist); Stanley Newens (UK, Socialist); Ulburghs (Belgium, Socialist); Dorothee Piermont (FRG, Green); Rene Emile Piquet (France, Communist); Plaskovitis (Greece, Socialist); Lalla Trupia (Italy, Communist); Mario Zagari (Italy, Socialist).

Those Who Abstained

Sergio Ercini (Italy, Christian Democrat, Commission Chairman); De Gucht (Belgium, Liberal).

Full Text of Resolution

Istanbul MILLIYET in Turkish 26 Feb 87 p 13

[Text] The European Parliament,

Believing that the recognition of the history of the Armenian people in Turkey is equivalent to recognizing the identity of the Armenians as an ethnic, cultural and religious minority,

Considering that the Armenians characterize the events of 1915 as a genocide as defined by the United Nations,

Considering that the Turkish government rejects charges of genocide on grounds that a precondition for the legal definition of genocide is premeditation and that the Turkish authorities of the said period did not harbor such a desire or thought,

Considering that the events of 1915 caused deep anguish to the peoples of the Ottoman Empire and that even the Turkish authorities have acknowledged in public statements that these events constitute a tragedy,

Considering that the characterization of these events as a genocide would not produce any legal results today,

Considering that the Armenian problem with its controversial nature cannot justify the senseless terrorism of Armenian groups,

Hoping that a compromise can be reached between minorities and the Turkish majority in Turkey,

Deplores the injustice the Armenian people were subjected to in 1915,

Considering the tragedy they have suffered, concurs with the Armenians' demand that they be able to develop their ethnic identity, that their minority rights be guaranteed and that they be able exercise them without any restrictions within the framework of the Turkish constitution,

Concurs with the demand that the Armenian minority in Turkey be treated with fairly in issues related to language, religion, culture, education and identity and that Armenian cultural treasures be protected,

Invites Turkey to respect the rights of non-Muslim minorities as stipulated by the Treaty of Lausanne,

Calls on the EEC to expand its association agreement with Turkey into the cultural domain in order to protect Christian and other cultural treasures,

Expresses concern about the problems of the Armenian community in Iran in the area of language and religious [instruction],

Condemns the violation of the basic rights of the Armenian people in the Soviet Union,

Condemns the acts of terrorism and violence perpetrated by Armenian groups and invites the Turks and the Armenians to a reconciliation of their differences.

Foreign Ministry Reaction

Istanbul MILLIYET in Turkish 26 Feb 87 p 13

[Text] Ankara--The draft resolution which charges that Armenians were subjected to injustice in the past and which was approved by the Political Commission of the European Parliament caused harsh reaction in Ankara. The Foreign Ministry described the phrase "injustice the Armenians were subjected to" as a "one-sided phrase designed to appease the Armenians" even though "charges about an Armenian genocide" were deleted. The ministry issued a terse statement deploring the endorsement of the said resolution by a vote of 25 versus 23 by the Political Commission.

Describing as "ignorance" passages in the resolution referring to "minority rights in Turkey," the Foreign Ministry statement said:

"If the references the resolution makes to minorities--which include Armenians--cited by the Treaty of Lausanne do not stem from ignorance, then malicious intentions must be sought. Everyone is aware how careful Turkey has been in complying with the provisions of the Treaty of Lausanne regarding minorities. The Turkish Republic and the Turkish nation have manifestly proven their respect for all religions and cultural heritages throughout their history. Consequently, the expressions used in the resolution on these matters give rise to very serious reservations."

Stating that the commission has committed a major error, the statement said:

"The commission's position of passing judgement like an historian on events that have taken place 70 years ago is a major mistake. This resolution cannot change the facts. Furthermore, despite various pressures and threats, nearly half the members of the Political Commission have listened to common sense and voted against the resolution. It should be recalled that the same commission dropped this issue from its agenda last June. When all these facts are examined as a whole, it becomes evident how unpersuasive and controversial the resolution is."

Other Reaction

Beside the Foreign Ministry statement, the endorsement of the resolution evoked sharp reactions from former and current politicians and parliamentary deputies. Below is a sampling of their remarks:

Erdal Inonu (leader of the Social Democratic Populist Party): "We cannot accept this resolution--or any report based on it--which can lead to unfair and dangerous interpretations."

Cahit Karakas (Assembly group leader of Democratic Left Party): "It is extremely wrong to blame today's Turkish Republic for 70-year-old events whose truth has not been proven. The endorsement of this report will embolden the Armenian organizations which perpetrate terrorism."

Suleyman Demirel: "The resolution will annoy Turkey. It is an unfair resolution. It is a form of antagonism and hurts our pride. I am extremely dismayed."

Kamran Inan (Motherland Party [MP] parliamentary deputy): "The resolution is worthless. But our nation has taken it seriously, and when this is the outcome we are dismayed."

Aycan Cakirogullari (MP parliamentary deputy): "We hope that the general assembly of the European Parliament will rectify this mistake at its first session. The European Parliament cannot defend terrorism."

Ihsan Sabri Caglayangil [former foreign minister]: "This resolution must teach a lesson those who have been saying 'our reputation abroad has never been as high.'"

Soviet Role

The MP Chairmanship Council held a 2-hour meeting headed by deputy party leader Mehmet Kececiler. In a statement after the meeting, Kececiler said that he concurs with party deputy leader Bulent Akarcali's remark that "the Soviet Union is behind Armenian terrorism."

Editorial Deplores Resolution

Istanbul MILLIYET in Turkish 26 Feb 87 p 1

[Editorial: "25 Members of the Commission"]

[Text] The Political Commission of the European Parliament has endorsed Belgian parliamentarian Vandemeulebroucke's draft resolution on the Armenian question by a majority vote of 25 against 23 after softening it.

The "softening" is as follows:

The majority of the commission refused to take on the responsibility of characterizing the events of 1915 as a "genocide." Although that term is used in the resolution, it is used in the form: "Armenians characterize these events as 'genocide.' The Turks reject that. In any event, this argument has no legal bearing." The commission's own characterization of the events of 1915 takes the middle course. It calls them a "tragedy" and "injustice."

However, all these do not change the fact that the defenders of the "Armenian cause" have taken a major step forward in terms of international propaganda.

The said resolution, which was dropped from the agenda of the Political Commission last year on grounds that it was not competent to vote on it, was

approved by the commission this time--though in a toned down form--and is now on the agenda of the general assembly of the European Parliament where it will be debated. Charges against our country will be renewed and there will be parliamentarians who will demand the rehardening of the softened references. But even if the resolution is approved in its present form, it is filled with remarks which indirectly incriminate our nation.

What does it mean to "invite Turkey to respect the rights of non-Muslim minorities"?

What does it mean to demand "the treatment of the Armenian minority with fairness" and the "preservation of Armenian religious treasures"?

Is Turkey violating the human rights of its non-Muslim minorities, mistreating the Armenians and destroying Armenian cultural works to make 25 members of the European Parliament to feel the need to caution us on this issue?

If such incidents are happening would it not be more proper to expose them one by one with solid evidence before such absurd suppositions are made?

Anyone who knows a little about Turkey would simply laugh at charges that Turkey discriminates between its Muslim and non-Muslim citizens legally or in practice. Muslims, Christians and Jews have coexisted in these lands for centuries, and particularly since the establishment of the Republic the religion of citizens has not been a matter of curiosity even in private conversations let alone in official procedures.

But it appears that the said 25 members of the Political Commission of the European Parliament can still not imagine that this can happen. The equal treatment of people regardless of their religion is among the human rights principles that have existed in their continent for centuries. But they have not been able to make themselves believe that this principle can be implemented in any country with all its requisites. They have acted on the premise that "everyone acts like yourself."

In any event, the document they have endorsed contains several examples of "confessing defects while boasting of valor." They invite the EEC "to expand its association agreement with Turkey to the cultural domain." Why? In their own words, "for the protection of Christian and other cultural treasures."

When one says "cultural treasures" does that not include Christian, Muslim, Jewish and everyone's treasures? Then what purpose is there in underscoring the word "Christian" separately and giving it an additional priority? How can this be interpreted as anything but an indication of their habit of looking at everything through Christian spectacles like medieval priests?

Commentary on Implications of Resolution

Istanbul MILLIYET in Turkish 26 Feb 87 p 13

["Corner" column by M. Ali Birand: "The Armenians Did not Get Everything They Wanted"]

[Text] The resolution endorsed by the Political Commission of the European Parliament did not turn out to be the way Armenian groups wanted.

Firstly, the deletion of the term "genocide" from the resolution had a shocking effect on Armenian circles. Conversely, while the Turkish Foreign Ministry insisted that "allegations of genocide have been rejected," in reality a rejection was not evident. In truth, the commission simply adopted a very difficult "compromise" formula.

The positive features of the resolution are that it incorporates the Turkish view for the first time, deplores "Armenian terrorism" explicitly and does not contain any references "condemning or deploring Turkey."

On the other hand, the Armenians have managed for the first time to have a resolution--if limited--passed by the European Parliament. They have been able to take a first step forward from their perspective. In the future, they will strive to consolidate this situation.

This resolution, which may be "endorsed by the full European Parliament soon," was the best result Turkey could obtain given the "increase in the Commission in the number of our opponents and Greeks" after the latest elections and some of the unnecessary "backfire" resulting from the perception that we were engaged in counterpropaganda. If this resolution is approved by the full European Parliament it cannot be exploited by the Armenians. They can only say that "the Armenians suffered a misfortune."

The changes that were made, the softening of the resolution and the endorsement of the resolution by a "majority of only two votes" indicates that despite intense Armenian lobbying the European Parliament is careful about an issue which is a sensitive subject for Turkey and that it has not voted blindly. It must be noted that many of the socialist parliamentarians who voted for the resolution approach the issue purely from a human rights perspective and supported the deletion of references to "genocide."

The principal importance of the resolution stemmed from the effect it could have on the disposition of the Armenian resolutions before the U.S. Congress. Had it been endorsed in its original form, the Armenians would be able to show it to undecided congressmen and say: "Look how the Europeans voted." That would be a compelling force.

However, in its present form this resolution can no longer be used in the U.S. Congress. Because for Armenian-Americans the most important catchword is "genocide." They are prepared to compromise on anything except that term. Indeed, the first reaction of Armenians in the United States was to accuse the Europeans of "diluting the truth."

While the resolution can be considered a "first step" for the Armenians of Europe it is a setback for Armenian-Americans.

In sum then, Turkey has emerged with very little damage from this episode. However, one should not expect that Armenian efforts will stop.

Government Spokesman Statement

Istanbul TERCUMAN in Turkish 27 Feb 87 p 11

[Excerpts] Ankara--In a press conference yesterday, Minister of State Hasan Celal Guzel criticized the "Armenian report" and said: "Turkey does not have a minority problem." Guzel also said that a hot pursuit is not at issue with regard to the incident in Southeast Anatolia.

Disclosing the decisions taken at the meeting of the Council of Ministers 2 days ago, government spokesman Guzel said that the council discussed the massacre perpetrated by separatist terrorists in the Southeast on 22 February and the Armenian resolution endorsed by the Political Commission of the Council of Europe [as published]. Guzel said that "during the meeting Interior Minister Yildirim Akbulut and Foreign Minister Vahit Halefoglu briefed the council on these issues and expressed their views" and that "Prime Minister Ozal called from the United States and conversed with some of the ministers."

Stating that the Council of Ministers heard the assessments of Foreign Minister Halefoglu with regard to the endorsement of the resolution on the so-called Armenian genocide by the Political Commission of the European Parliament, Guzel said: "We stated that the resolution endorsed is wrong and deplored it." Noting that such political commissions can take such wrong decisions, Guzel said that this event "cannot change the foreign policy course Turkey has pursued so far." Guzel added: "Turkey does not have a minority problem. Turkish citizens have always been treated equally regardless of their race, language or religion. We will continue to state on our unequivocal position against such erroneous decisions."

9588

CSO: 3554/211

NEWSPAPERS, DEFENSE MINISTER ON EFFORT TO GAIN PROGRAM PACT

SDP Organ Comments

Copenhagen AKTUEL in Danish 8 Apr 87 p 10

[Editorial: "Final Defense Agreement"]

[Text] Hectic activity in the leadership of the Social Democratic Party made sure Tuesday that the government's defense initiative was answered with a historic report: The new defense policy spokesman, former minister of justice and taxes, Karl Hjortnaes, announced after approval in the party's daily leadership that the party is now of the opinion that the coming defense arrangement must be subjected to what is called "normal parliamentary procedure."

More concretely this means that defense for the first time in more than 20 years will be subjected to committee treatment in the Folketing's Defense Committee, that all of the parties in the Folketing can question the proposal, call the minister into conference, and demand explanations of many questions from this shady branch of the government administration. For years a corresponding procedure has been prevented by the perennial agreement, born in dark negotiations among an invited circle of parties, which, bound by the desire for an agreement, cut themselves and the democracy off from the normal critical questions.

Hopeful Radical Liberals and Socialist People's Party members thought after Hjortnaes' initiative that the defense agreement's time was definitely past. To be sure Hjortnaes says that he imagines the committee work as a parallel process to the negotiations in the existing defense committee's closed circle, the so-called eleven-man committee. But in the positive sense Hjortnaes has given the Devil his little finger, and he can hardly pull his hand back now. The Radical Liberals will now be there to force the government to present its agreement initiative as an ordinary bill. This is also the result of the thorough investigatory work that is to subject defense to the "modernization process" in the public sector that has been so much advertized by the non-socialist government. All the indications are that the new democratic opening in the defense issue will make a defense agreement impossible before the elections, and this is just as well. No matter how parliamentarily doubtful the agreement procedure has been up to now, it will be just as difficult for the new popular engagement in peace and security policy to clear up these

matters in quick, secret agreements. If the Social Democrats want anything serious from their renovation process, defense questions must be laid out openly on the table. One cannot buy oneself peace on the defense issue with a closed, five-year agreement. One cannot assure oneself of its reliability by simply living up to old, tested models for the spineless, overly careful cooperation right down the middle.

Newspapers Around Country Comment

Copenhagen AKTUEL in Danish 10 Apr 87 pp 73-74

[Editorial Roundup: "Proposal Can Make Government Lose"]

[Text] The four-party government has not fallen for the enticing tones of the Social Democrats to reach a new defense agreement. In the proposal for a new five-year agreement that came yesterday, the wish is maintained for more money to assure a reliable Danish defense. According to the government, the budget for 1988 should be raised by 400 million kroner. This is the price of getting 2,500 more conscripts in uniform and to replace worn-out material. A similar amount is to be approved later in the period for continued improvements.

The initiative is tough when one considers that the Social Democratic Party has long said that it is opposed to increased defense expenditures. And since the party has support here both from the Socialist People's Party and the Radical Liberals, there is a majority in the Folketing that can make the government lose.

The above was written by JYDSKE TIDENDE in a lead article, which continues with, among other things:

There is also no sign of a will to compromise in the government's proposal, and therefore it seems that there will soon be an election on both defense policy and the economy. In this light, a collision seems unavoidable. If the government now allows itself to be put on the defensive, it becomes unreliable both here at home and in NATO. On the other side, the Social Democrats are also playing for high stakes. Even if an opinion poll recently revealed popular opposition to rising defense expenditures. For we wonder whether the truth is that in spite of everything we here at home -- when it really gets down to it -- are nevertheless willing to pay a higher price for the freedom we all enjoy the benefit of.

Tougher

JYLLANDS-POSTEN:

During negotiations on the EC package the Danish voters approved in a plebiscite in February of last year, the Danish negotiations made a big thing of assuring that environmental directives from the EC could not overrule existing or coming Danish environmental regulations.

It is a major rule that the EC must always strive for the highest degree of environmental protection, but that every country has the right in its case to establish even tougher environmental regulations.

In the final treaty it says in Article 130T that protective measures undertaken in common "do not prevent the individual member states from maintaining or introducing--

Hard-boiled

VEJLE AMTS FOLKEBLAD:

The initiatives that Tax Minister Isi Foighel has taken to stop the lively private import over the West German border seem to be having a significant effect. At any rate, one can say that for now the acquisition of radios, TV's, and kitchen appliances has been effectively stopped.

Part of the method used is praiseworthy. It is the reduction of the extraordinary duties on certain goods, and this is not just a kindness toward consumers and dealers. It is also in agreement with what the voters expressed a wish for when the EC package was approved in the plebiscite.

Minister Criticizes SDP Demand

Copenhagen BERLINGSKE TIDENDE in DANish 24 Apr 87 p 1

[Article by Thorkild Dahl: "Engell: SD Demand Can Be Poison for Defense Agreement"]

[Text] The Social Democratic demand to conduct negotiations on a new defense agreement with the Socialist People's Party, the Socialist Left Party, and the Radical Liberals is "a joke," and not a desire for an agreement, the defense minister thinks.

"It will poison the efforts to reach a quick defense agreement if the Social Democrats continue to wish that negotiations are to take place both in the special eleven-man committee between the governing parties and the Social Democrats and in the Folketing's Defense Committee, in which the circle is expanded to include the Socialist Left, the Radical Liberal, and the Socialist People's parties. One must ask whether the Social Democratic Party wants to joke, or whether it wants a reasonable agreement."

Thus spoke Defense Minister Hans Engell (Conservative Party), rejecting thereby the Social Democratic demand that the actual discussions of the future of defense take place in the Defense Committee.

The Social Democratic defense negotiator Karl Hjortnaes says that he has in informal discussions with the Socialist People's Party "tried to specify that we will not accept obstruction and bantering against the minister when negotiations take place in the Folketing's Defense Committee," but Hjortnaes

insists that the negotiations must take place in a broad circle so that an agreement can be reached quickly after Folketing elections.

Defense Minister Engell thinks that either there are genuine negotiations in the eleven-man committee or ping-pong in the Defense Committee after, among other things, the Socialist People's Party has announced a large number of conferences -- possibly 50 -- with the defense minister. Keld Albrechtsen of the Socialist Left Party says that the party will not enter into an agreement to protect the minister.

Engell: Politics Hurting Defense

Copenhagen BERLINGSKE TIDENDE in Danish 30 Apr 87 p 13

[Article by Thorkild Dahl: "Engell: SD Prefers Pleasing Socialist People's Party to Thinking of Defense's Future"]

[Text] Defense Minister Hans Engell criticized the SD leadership for not being seriously interested in the future of defense at a sparsely attended debate meeting in Fredericia this evening. Social Democrat Karl Hjortnaes said on the other hand that defense is not subjected to the relevant political leadership.

The Social Democratic Party lets attention to the Socialist People's and the Socialist Left parties weigh heavier than attention to the future of defense, and the main problem is that the Social Democrats who decide things in the party are not seriously and positively interested in the future of Danish defense.

Defense Minister Hans Engell (Conservative Party) aimed his guns directly at the chairman of the Social Democratic Party, Anker Jorgensen, when the defense minister and the Social Democratic defense spokesman Karl Hjortnaes met in a debate meeting this evening.

There was a small audience at the Landsoldaten Hotel; only 80 had deserted the spring warmth and the soccer game in order to follow the continued conflict in the garrison town between the Social Democrats and the conservatives in the series of debates.

Hans Engell said that the Social Democrats "who know defense and its problems do not have sufficient influence in the party. It was different when the party chairmen were Hedtoft, H.C. Hansen, and J.O. Krag."

The Social Democratic defense negotiator Karl Hjortnaes sharply criticized the government for "never having stretched out a hand to the Social Democratic Party for a defense agreement." Hjortnaes said that the government alone is aiming toward a deal with the Radical Liberals after an election.

Hjortnaes said, "I like the defense minister all right when he acts like a strong politician, but I am not satisfied with the defense minister."

Hjortnaes criticized Engell for not having fulfilled the promises in the present agreement. Among other things, Hjortnaes said that in the opinion of the Social Democrats there still was an insufficient number of regular personnel and conscripts in accordance with present agreements.

The Social Democratic defense spokesman also said that defense itself seemingly determines everything.

"As the situation is today, defense is not subjected to relevant political leadership, and this is clearly unacceptable. Apart from the size of the budget and the length of conscript service, we politicians have had little to do with defense. The defense minister is trying to give us the impression that a renovation process is in full swing within the defense forces, but this is not true," Hjortnaes said.

Engell called the government's initiative on an increase in defense too modest. The minister said that the proposed increases from 400 million kroner yearly next year to 800 million kroner in 1990 corresponds to an extra expense for each inhabitant of 80 kroner to 160 kroner.

"Three packs of cigarettes or three movie tickets a year is what we must sacrifice to assure the credibility of defense," Engell said.

NATO Partners Warn

Copenhagen BERLINGSKE TIDENDE in Danish 30 Apr 87 p 2

[Article by Michael Ehrenreich: "NATO Partners Warn Denmark"]

[Text] The Social Democrats' policy on protective defense has made Great Britain and Holland, who are to come to Denmark's aid in a war, nervous about the protection of their soldiers.

Two of Denmark's NATO partners who are to help Denmark in wartime have unofficially warned the government that reinforcements will be impossible if the Social Democratic policy on protective defense is actually carried out.

Great Britain and Holland have obligated themselves to send troops to the defense of Denmark. But both countries are worried that the Danish defense forces will not be able to defend their soldiers under a protective strategy.

Reports of the warning to the government come from a report that is being sent out today in London by the independent and distinguished International Institute of Strategic Studies (IISS). The warning was confirmed this evening by Danish sources to BERLINGSKE TIDENDE.

The report, "Strategic Survey," appears once a year and is read by political and military decision makers in both the East and the West because of the institute's reputation for serious defense policy research.

The institute's deputy director, Colonel John Cross, calls the strategy of protective defense "a noble and idealistic thought that does not hold up militarily."

"A protective defense will invariably lead to the rapid loss of areas that will be difficult to reconquer. Therefore it is not surprising that the two countries have become nervous," he said.

Marines from Great Britain and Holland will in a crisis situation form a common amphibious force that is earmarked for the reinforcement of Denmark and/or Norway.

Besides this, Great Britain is obligated according to the reinforcement agreements to land the so-called UK Mobile Force of 15,000 men in Denmark. The future of this force is being discussed at this moment in NATO at the request of the British government.

9124

CSO: 3613/79

SPY DELIVERED SONAR, EXOCET SECRETS

Brest OUEST-FRANCE in French 21/22 Mar 87 p 5

[Text] The DST wanted to keep secret this matter which goes back more than 2 years: A Toulon-based Navy noncom supplied information to the Soviet Union through its consulate in Marseilles. However, a warning from a DST official in Var to owners of companies in that department to the effect that about 30 of them are the targets of foreign intelligence services revealed the truth of the matter...and gave DST officials a headache.

The National Navy noncom, whose identity has not been disclosed, was a selected target: His intemperance, for which he had been reproached by his superiors, put him in danger of a dismissal from the service. During this period, which was difficult for the noncom, the latter made the acquaintance of the vice consul for cultural affairs in Marseilles, Leonid Sergueyev. After multiple meetings in Toulon, the noncom crossed over the line.

During dinner meetings in La Ciotat, the French spy supplied "secret-defense" documents dealing with sonar, methods of detecting submarines, and the Exocet missile.

The noncom had the habit of tossing his latest "collection of secrets" into the Soviet diplomat's automobile just as he was driving away after the two men had shared a gourmet meal.

One day the Soviet made the mistake of leaving his car parked in a no-parking zone, and the investigators obtained the evidence they had lacked.

The noncom was arrested in February 1985, and Sergueyev was expelled from the country 2 months later.

8143/6091
CSO: 3519/98

NAVY BUDGET, PERSONNEL, CONSTRUCTION FOR 1987

Paris LA NOUVELLE REVUE MARITIME in French Jan-Feb 87 pp 4-8

[Article by Bernard Prezelin]

[Text] The fourth and last budget of the 1984-1988 Military Program Law, the defense budget for 1987, was adopted by Parliament in December; this is in fact a transitional budget since the new military program law for the 1987-1991 period is now being prepared, its draft having been sent to the National Assembly in November; it was supposed to have been examined during the fall session; however, because of the delay in the reforms desired by the prime minister, the draft legislation will not be discussed until the spring session.

This defense budget totals 169 billion francs (compared to 158 billion francs in 1986); it represents 3.79 percent of the GDP (3.72 percent in 1986) and is an increase of 6.85 percent over the 1986 budget. The National Navy's share of this budget totals 31,816 million francs, that is 18.80 percent (18.65 percent in 1986; on this point see Table 1, "Evolution of the Navy's Share of the Defense Budget"). These 31,816 million francs are divided into 13,211 million francs for operational funding and 18,605 million francs for payment funding; provision is also made for 24,600 million francs for program authorizations.

Materiel

Orders

Very few new ships are funded by this budget. The only new ships to be ordered in 1987 will be one public service ship of the Sterne type (this type of ship was more adapted to missions of this kind than the combat ships) and the first ocean minesweeper (BAMO) destined to take over from the current former American ocean minesweepers in the fight against deepwater mines. In addition to the orders for these two new ships, we should also mention the orders placed for five Atlantic 2 maritime patrol planes which will be added to the five planes already ordered in 1985 and 1986 (Table 4).

Deliveries

During this budgetary year, the following vessels will be placed in service: the nuclear attack submarine Casabianca (it will join its "sister ships" Rubis and Saphir in Toulon), the mine hunter Aigle (seventh in the series of tripartite hunters and the first ship of this series to be based in Toulon, the first six being based in Brest where they constitute the 25th DICHAM), and, finally, the last two base-ships for mine-clearing divers Acheron and Styx which will replace the two American former coastal mine-sweepers Ajonc and Liseron for the Divers School and the 2d Mine Disposal Group (GPD).

Projects Under Way

This 1987 budget also provides for partial financing for continuation of the construction of a large number of ships:

1. The nuclear aircraft carrier Richelieu the construction of which will begin in 1988;
2. The nuclear attack submarines (Emeraude) and the numbers 5, 6, and 7 in the series, the last three benefiting from noteworthy improvements (Project Amethyste. See article on Marines) which will soon take their place alongside their four predecessors;
3. The antiaircraft corvettes Cassard and Jean Bart, the former having begun its sea trials at the end of 1986;
4. The antisubmarine corvettes [CAA] La Motte-Picquet and No 7: The La Motte-Picquet also began its sea trials in the spring of 1986; however, priority is now being given to the Cassard because of the rapid aging of the missile-launching squadron escort ships Dupetit-Thouars and Du Chayla which the CAA will replace;
5. The tripartite mine hunters Lyre, Persee, and Sagittaire which like the Aigle will be based in Toulon;
6. The landing craft transport ship Foudre whose construction is ongoing in Brest;
7. The first infantry and tank landing craft (CDIC);
8. The hydrographic ships La Perouse, Borda, and Arago; and
9. The experimental minesweeping ship Thetis (formerly Nereide; this ship was renamed because a personnel transport ship already had the name Nereide).

To these projects under way, it is appropriate to add ships being refitted. Thus in 1987 refitting operations will be finished on the aircraft carrier Clemenceau and the SSBN [missile-launching submarine] le Tonnant; work will continue on the SSBN l'Indomptable; and refitting work will be started on the Foch and the SSBN le Terrible.

Personnel

Navy budgetary funding for personnel staffing for 1987 provides for 66,160 seamen and technical and administrative officer corps, that is, a decrease of 186 billets compared to 1986. This decrease has a varying impact depending upon personnel categories. Thus 45 additional billets have been established for officers (26 for the naval officers corps earmarked basically for internal recruiting, 2 for the commissariat corps, 2 for the technical and administrative officers corps of the Navy (OCTAM), and, finally, 15 promotions of petty officer pilots in the Navy Air Force to the grade of officer). In the petty officer sector, 67 billets for senior petty officers (chief petty officer, petty officer first class, and petty officer second class) have been eliminated; on the other hand, 432 billets for warrant officers have been established; what is more the total figure for this operation has been increased by 365 new billets. Finally, 1,184 quartermaster billets have been eliminated but have been partially compensated for by 589 new billets for long-term service volunteers.

The elimination of 185 billets is very much less than the 720 which had been scheduled for 1987 in the 1984-1988 Military Program Law, for which we can only be thankful.

Operations of Navy Forces

Some 7.1 percent of the Navy's 1987 budget will be committed to the operations of its forces, that is a decrease of 6.4 percent compared to 1986, due in large part to a 21.9 percent decrease in allocated fuel credits, which is attributable to the drop in the prices of oil products that occurred in 1986.

This notwithstanding, the allocated funding will permit operations comparable to those of previous years, that is 110 days of sea duty for combat ships, 95 days for support vessels, and 99,500 hours of flight time for the Naval Air Force.

Conclusion

This 1987 budget presents a few negative aspects particularly the small number of ship deliveries due either to the low level of new-ship orders funded by the budgets of prior years, the small number of orders for new ships (antiaircraft corvettes Nos 3 and 4, light frigates of the FL 25 type, landing craft transport ships Nos 2 and 3) or, at least, we hope, their attribution to subsequent budgets, which would be a lesser evil. But the 1987 budget also presents positive aspects, in particular maintenance of the Richelieu order which appeared to have been compromised during 1986 and the National Navy's increasing share of the defense budget. However, as was indicated earlier, what we have here is a transitional budget between two military program laws. Therefore, we can only hope that our government officials and parliamentarians will take due note of the National Navy's requirements, the aging of its surface fleet, the need for its replacement if not quantitatively at least qualitatively, and of France's dependence vis-a-vis the sea by giving the Navy sustained attention and sufficient credits during the preparation of and voting on the 1987-1991 military program law.

Table 1. Evolution of the Navy's Share of the Defense Budget

<u>Year</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Percent	17.86	17.93	18.27	18.42	18.65	18.80

Table 2. Evolution of Active Personnel

<u>Category</u>	<u>1986</u>	<u>1987</u>	<u>Change</u>
Officers	4,473	4,518	+ 45
Petty officers	29,346	29,711	+ 365
			(-67 senior petty officers +432 warrant officers)
Quartermasters and active seamen	13,957	12,773	- 1,184
Total	47,776	47,002	- 774

Table 3. Refitting in Progress

<u>Ships</u>	<u>Work completed</u>	<u>Work continuing</u>	<u>Work started</u>
SSBN	Le Tonnant	L'Indomptable	Le Terrible
Aircraft carriers	Clemenceau		Foch

Table 4. Deliveries, Projects Under Way, Orders for 1987

<u>Ships</u>	<u>Deliveries</u>	<u>Projects under way</u>	<u>Orders</u>
Nuclear aircraft carriers PAN		Richelieu	
Nuclear attack submarines SNA	No 3 Casabianca	No 4 Emeraude No 5 No 6 No 7	
Antiaircraft corvettes CAA		No 1 Cassard No 2 Jean Bart	
Antisubmarine corvettes CASM		No 6 La Motte- Picquet No 7	
Public service ships BSP			No 1
Tripartite mine hunters	No 7 Aigle	No 8 Lyre No 9 Persee No 10 Sagittaire	

[continued on following page]

<u>Ships</u>	<u>Deliveries</u>	<u>Projects under way</u>	<u>Orders</u>
Ocean minesweeper BAMO			No 1
Landing craft transports TCD		No 1 Foudre	
Transport and support ship BTS		Bougainville (financed by the DIRCEN)	
Infantry and tank landing craft CDIC		No 1	
Hydrographic ships		No 1 Laperouse No 2 Borda No 3 Arago	
Base ships for mine-clearing divers BBPD	No 3 Acheron No 4 Styx		
Experimental minesweeping ship BEGM		Thetis (ex-Nereide)	
Atlantic 2 maritime patrol planes		5	5
8143/6091 CSO: 3519/98			

FUTURE AIRCRAFT FEATURES, COMBAT PHILOSOPHY EXAMINED

Paris DEFENSE NATIONALE in French Mar 87 pp 75-90

[Article by General Alain Baer; first paragraph is DEFENSE NATIONALE introduction; slantlines indicate italics]

[Text] General (CPN) Alain Baer here discusses the problems posed by the need to equip the Air Force with new-generation aircraft--combat aircraft, but also transport planes--beginning in the middle of the coming decade. The paper he presents here--very complete and very prospective--ends with a warning: we must know what we want if we want France to remain a power with worldwide influence.

Two pitfalls in particular await a member of the Air Force who undertakes to write an essay on the air component. The first is that of assigning too much importance to matters in which technological progress seems to take priority over strategy (or, on the contrary, of trying hard to adapt developments in materiel to developments in concepts). The second is that he is likely to be accused of corporatism when, in his attempt to convey a defense and illustration of weapon systems more specific to his own service than to the others, the purpose of his remarks may seem to be that of getting involved in what is called a "quarrel over buttons" in military circles.

Concerning the first point, I believe one should do one's best to be pragmatic: concepts, which stem from strategies (strategies themselves being the consequence of political choices), are one thing; the progress of science and technology, which is capable of making new materiel available to the users, is something else. The durability of certain principles seems assured regardless of developments in the field of weaponry over the centuries. I am thinking in particular of the principles one finds expressed by the greatest military thinkers ranging from Sun Tse to Clausewitz: "Wait until the enemy is vulnerable so as to attack him in certainty of victory," "If the enemy is strong and you are weak, withdraw temporarily and avoid any engagement," and "the strategic primacy of the defensive" (1). From time immemorial, the emergence of novel technologies leading to the development--and use--of new weapons has caused tactical concepts to evolve or even to change completely. On the other hand, it apparently has never had any tangible impact on strategies, since they have been bound up with geopolitical situations or,

sometimes, with ambitions existing willy-nilly at the heart of such situations.

Someone will object: "What about the invention of gunpowder?" I will answer with a question: in what way did the appearance of firearms--and especially the appearance of artillery--in Europe make a fundamental difference in the dueling strategy then existing between England, an insular power, and France, a continental power, throughout the centuries that followed? It was not until Germany emerged politically as a nation that the terms of that duel changed and that the English and French strategies were called completely into question.

Or someone may ask: "What about nuclear weapons?" And I will again answer with a question: who today can assert that the "nondiscovery" of those weapons at the end of World War II would have completely transformed the antagonism between East and West which was then in the process of radicalization--an antagonism based on differences that were essentially ideological? All one can say is that the risk of open hostilities between the two blocs thus created would certainly have been greater than it has been, but that in neither of those blocs would the strategies have really been any different than they have been in reality: a strategy of containment on the part of the West and an outflanking strategy on the part of the Soviet Union.

I will therefore do my best, in the reflections that follow concerning the appropriateness of developing new generations of Air Force materiel and the urgency involved, to leave to the operational capabilities what is theirs and to give the technological environment its due. To say that improvement of the latter can enhance the value of the former (provided that the enemy does not benefit from it first) or lessen its value (if he does) or that seeking to extend operational capabilities in certain fields means choosing the directions in which the work of scientists and engineers will go is to state the obvious. It is a truism that technological progress and changes in concepts of force deployment are intimately connected. But claiming that defense strategy, in its broadest sense, follows technology--and therefore depends on changes in technology--does not strike me as strictly correct. Except--and it is an important exception--when one is faced with the following process: when a technological breakthrough is so important that failure to adopt it causes a significant drop in the capability of the forces which might have benefited from it or perhaps even compromises that capability completely, when the potential adversary is, for his part, not placed in that unfortunate situation, and when, lastly, the credibility of a strategy is based on the assumption that the forces in question will continue to possess that specific capability. When that happens, the challenge to their capability will probably result in the need to change the said strategy. We will come back to this.

Avoiding corporatist behavior is very generally the attitude of those who, in the Ministry of Defense, have to deal with problems at the interservice level. But it must be emphasized that that is to their credit. The fact is that the weight of history plays a determining role in this area and that there is nothing new about the subtle game played by the decisionmaker who, unable to

devote to security more than a financial package that is necessarily limited in volume regardless of the area it must cover, sets the heads of the services in opposition to each other and reserves for himself the sometimes exquisite role of arbiter. Colbert in the case of the Navy and Louvois in the case of the Army could no doubt tell us a lot about that subject if given the chance through some sort of transmigration of souls. The sudden appearance in the arena of a third jousting in 1935 (2) and later of the joint services and the Gendarmerie did not simplify matters.

The experience gained in those areas leads us to the key word "coherence," the word which must guide all who, in any capacity, participate in working out the physical counterpart to the funds allocated to defense. The scientific and technological progress referred to above has given that notion of coherence ever-increasing importance. In the old days, it was possible to some extent to objectively dissociate matters related exclusively to the various types of forces (although, in the absolute, their complementarity goes back to the dawn of time), but today that is out of the question. Many actions now involve more than one service, and any manifest lack of equipment, and therefore of capability on the part of one of the categories of forces involved, has a direct effect on the ability of the others to fulfill their assigned missions appropriately, if only by increasing their own vulnerability. And this is all the more true if the lack in question concerns forces whose engagement, very generally speaking, precedes that of the others in time.

It is therefore important to show a special concern for coherence when considering in any way the equipment of our forces. That is what I have taken pains to do.

Air Component

For anyone attempting to draw up a list of specific actions necessary when a serious crisis develops, it seems clear that the /air arm/, taken in its broadest sense to include its various air, land, and sea components, is likely to intervene at a very early stage, both before and after the start of possible hostilities. This is true regardless of the theater of operations, and it covers everything from internal defense of the territory to actions outside the country, including a continental conflict. It goes without saying that in one or the other of those theaters, air actions may differ considerably both in nature and in volume. But they will have one feature in common: /they will be strong actions taken early, quickly, and, if necessary, at a distance/.

In the case of internal defense, everyone knows that there is constant surveillance of the sky over the national space and its approaches, the purpose being not only to detect possible violations and counteract them as needed, but also to provide the political and military decisionmaking authorities with a constantly updated threat assessment. If crisis comes, that action will be all the more important, and the strength and alert status of the resources available for it will be increased. Concerning that same internal theater, people too often forget how valuable aerial observation would be in a period of tension to the authorities responsible successively

for civil defense and then for operational defense of the territory. And lastly, in the very early hours of a conflict, it is certainly the air arms which would take the initial shock and which would have to respond to the enemy's operations with immediate air defense actions, defensive of course but very probably offensive as well (3).

In a continental theater--that is, as far as we are concerned, in case of a conflict in Central Europe--the process would be similar but amplified. All the Air Forces of the Alliance, including ours as soon as the government decides that France will go into action with its allies, would be affected (by enemy attacks) and engaged (through "defensive counter air" and "offensive counter air" operations) from the very start of military operations.

Every study on the subject shows the importance of that initial air battle, which--it should be emphasized--would be and could /only/ be conducted with resources already available in peacetime. There would be no question of relying on slowly improving capabilities based on what might be a laborious mobilization. The outcome of that initial encounter would be the determining factor in the following air-land battle. No one can say that winning it would mean certain victory later, but all experts agree in saying that losing it would be a fatal handicap. As General Foch said as far back as 1916, "Victory in the air is a prerequisite for victory on land, which it guarantees" (4). Today he might add that, the state of the opposing forces and of weapons being what it is, a defeat in the air at the very start of hostilities would lead inescapably to a tragic alternative: immediate submission to the diktats of the enemy or entry at an early stage into the process leading to the use of weapons of mass destruction.

Lastly, in the case of external actions, there is no longer any need to demonstrate the "plus" represented for a nation by its ability to project its intervention forces very quickly and at a great distance. Let no one expect me to enter here into a polemical assessment of whether a quasimonopoly in that field should be granted to this or that branch of the service. It is enough to say that the capability in question involves as a priority the ability to send the necessary resources rapidly and from a great distance to the site of the planned action, using /fixed or mobile/ "bases of operations" along the way if necessary. An essential component of those resources--as shown by 25 years of experience--consists of combat, transport, and surveillance and reconnaissance aircraft and the related surface-to-air defense and control systems. Here as elsewhere, an insufficiency or, even worse, a lack of /air weapons/ would nullify any success. The ability to project power is called strategic mobility. I will come back to this problem (5). But it can be pointed out here and now that in this instance, the search for suitable solutions demands even more imperatively that the principle of coherence be respected.

The paramount importance of the air component in the implementation of our defense policy having been thus emphasized, the time has now come to ask ourselves whether it is necessary to replace the equipment currently available to us for putting the concepts based on that air component into practice. And if it is necessary, how should we do it and what should the time frame be?

Future Combat Aircraft

The agencies in charge of planning the development of equipment programs have never considered presenting models of combat aircraft fleets quantitatively equivalent to those of the potential adversary. There are a number of reasons for that, the chief ones being the following.

France is not alone in facing that adversary, and it would be both conceptually absurd and diplomatically awkward to imagine a scenario in which /all/ the Air Forces of the Warsaw Pact were turned directly against us. As a loyal and militarily important member of the Atlantic Alliance, our country, like the other European nations in that alliance, would certainly be a target if there were a conflict in Europe, but only /one/ target among others. A possible aggressor would therefore be forced to distribute his resources in terms of those many targets and of the importance he assigned to each of them.

Independently of that first consideration--and, consequently, of any attempt to assess the threat of interest to us--it is advisable never to lose sight of the fact that our defense policy is based on the threat of massive nuclear reprisals if our vital interests are challenged. At what point would generalized aerial aggression--aimed in particular at our decisionmaking centers and the infrastructure of our strategic response forces--constitute such a challenge? It is up to the strategists and political leaders to decide that, knowing as they do that any erroneous assessment on their part would result in a mortal risk.

The proportion of national wealth that can be devoted to the country's security is necessarily limited, as we have already said. Within that overall package, the credits to be allocated to air materiel programs also have a limit, and it must be calculated in terms of their coherence with the other defense programs.

The result is that we cannot plan on trying to equal the opposing air forces in terms of volume, even if we estimate those forces only at the level likely to be of concern to us. This does not mean that the figure of 450 operational combat aircraft--an accepted figure for the past few years and one explicitly mentioned in the annex to the draft programming law relative to military equipment for the years from 1987 to 1991 (6)--should be considered satisfactory. It represents an "achievable" minimum which, in view of the economic and budgetary environment familiar to us all, has been accepted--no doubt reluctantly in some cases--by those successively responsible for defense and the Air Force.

If that minimum level of equipment is reached, we will simply be achieving the level /below which/ our air forces would no longer have any significance in comparison with either our allies or the potential aggressor. Let no one put forward the supposedly logical argument that the volume of the air fleet should decline in inverse proportion to the sophistication of equipment and improvements in its performance. That argument is fallacious because in fact, those advances and improvements are aimed only at keeping up with the growth of the threat, which itself is growing ever more sophisticated and constantly

being improved, both qualitatively and quantitatively. In any case, we will remain far below the "desirable" minimum that would enable our combat forces to fulfill simultaneously the various and multiple missions that have been entrusted to them by the government.

We will be even farther below that minimum in the short term because the planning adopted in the first half of the 1980's includes in that figure of 450 the Mirage 2000-N's that will succeed today's tactical nuclear weapon platforms (the Mirage III-E's and Jaguars). And when that program was being defined, cost and scheduling factors led to the assigning of absolute priority to nuclear capabilities: the deadline for the ASMP [medium-range air-to-surface missile] was mandatory. Today, the 2000-N is not a multipurpose aircraft. It may and perhaps will become one.

If we consider, lastly, that the "cooling-down plans" in the Air Force budgets which continued for 5 years after May 1981 had the effect in many cases of delaying programs and deliveries, thus increasing the obsolescence of our air combat fleet--particularly in the tactical area--there is reason to think that the future capabilities of combat aviation have already been seriously compromised.

To remedy that situation--that is, to return as soon as possible to the minimum achievable level--we must increase the annual rate at which combat aircraft are produced and therefore, on the upstream side, begin increasing immediately the number of orders issued each fiscal year. This can be done either on the basis of existing programs (7), by launching the program for developing and manufacturing a new-generation combat aircraft as quickly as possible, or perhaps both at the same time. What are the operational requirements justifying that step?

By the end of the century, the Air Force will be equipped with its Mirage 2000-DA's. Those /air superiority aircraft/ will be all the more suited to the missions for which they were designed thanks to the new generations of on-board radars and related weapons that are either in the final stages of development (RDI, Magic-II, and S-530-D) or in the final checkout stage (Mica). On the other hand, the /tactical combat fleet/ (Mirage III-E's, Mirage V's, and Jaguars) will reach extinction as early as 1994. For its part, the Navy should replace its Crusaders, which currently fulfill the air superiority mission for the Naval Air Group, in the early 1990's. Unless those in charge feel that it is possible--the assumptions concerning use of the aircraft carrier group and the corresponding threats being what they are--to wait for the later entry into service of a naval version of the next generation of combat aircraft. Lastly, the problem of replacing the Super Etendards should not arise until later--sometime around the year 2000.

The convergence of Air Force and Navy requirements, which are very similar in their objectives and complementary as far as their timetables are concerned, argues in favor of producing a new aircraft as soon as possible. From the Air Force's standpoint, what should be the characteristics of that future aircraft?

If we base our choices on the typical mission that would be assigned to it both in the European theater of operations and during an overseas operation, the "ideal" tactical plane should meet the following requirements: it should be capable of short takeoffs from runways that have been hastily set up--or repaired--and it should be able to do so with a maximum payload in relation to its empty weight (a payload that can be highly diversified in keeping with its assigned objective); it would have to be capable of flying as far as possible with all the reliability required by the combat action in question; and it should be able to carry out that action with great accuracy in any kind of weather by day or by night and regardless of weather conditions encountered en route and over the target (meaning the capability for "blind" navigation and firing). After it returns from its mission, refueling, rearming, and the repair of minor combat damage should be as simple and rapid as possible.

This article is not intended to provide a data sheet. It seems desirable to me, however, to emphasize certain consequences of the above outline. The combination of short takeoff, large carrying capacity, long range, and reliability quite obviously calls for a /twin-engine/ plane. If we want to increase effectiveness by the use of modern operational data processing, the ability to carry a diversity of payloads--desirable in order to increase the platform's range of usefulness--will call for the ability to manage the mission with /exchangeable software/ suited to the various weapons that might be carried. In the same spirit, we will also have to think of equipping the aircraft with an /on-board radar/, also of the multipurpose type, whose function can be changed by the crew during the mission. Lastly, let us say a word about the problems related to reliable penetration, which, it goes without saying, is dependent upon internal equipment or the carrying of countermeasures equipment appropriate to the threat existing in the theater of operations in question. It can also be improved by reducing the aircraft's equivalent radar and infrared surfaces--that is, by reliance on what are now called its /stealth characteristics/.

That last point is currently at the center of a broad debate among users, engineering departments, and manufacturers. It is known that our American friends are discreetly devoting a great deal of effort and large sums to the development of stealth aircraft. Here the technological challenge is a considerable one, and in all probability, trying to produce a future tactical aircraft with real stealth characteristics would lead to a notable delay in the program. Moreover, when discussing the subject of stealth, it must never be forgotten that this is not just a matter of trying to make detection of the aircraft itself difficult or even impossible: one must do the same for the aircraft's external stores (extra fuel tanks, weapons, and miscellaneous containers) and its radar. Otherwise, there might be stealth on the return trip, but certainly not on the way to the target.

In those circumstances, it would not be reasonable to waste probably 15 years or so for a result that is far from certain. On the other hand, we know that manufacturers are already able, by using certain materials and adopting carefully designed shapes and profiles, to provide a substantial gain in this area. Some degree of stealth would contribute to the success of a mission and therefore should not be rejected. Seeking to achieve total stealth is

certainly very attractive, but it should be left for later generations of combat aircraft, regardless of how much that necessity is regretted.

The future combat aircraft's most outstanding feature should therefore be its /multipurpose capability/. All the studies underway are leading to the conclusion that our manufacturers will be able to master the related problems within the deadline being considered and that it will be possible to develop a naval version of that aircraft. Considering, therefore, not only that Air Force and Navy requirements are more or less the same for the first time and that even the timetables for meeting those requirements are approximately the same, although not overlapping, but also that that circumstance provides a notable opportunity for our entire aeronautical industry and that launching the program is very urgent unless we want to see new gaps in the capabilities of both our Air Force and our Navy Air Force, the only problems left are those concerned with financing. But those are not insignificant problems.

If it is likely that insufficient funds will ever cause a slowdown resulting in 1 or 2 years of delay in meeting those requirements, stopgap measures should be adopted and implemented at once for temporarily filling the resulting gaps in either the Air Force or the Navy Air Force, accepting all the harmful effects that would very probably have on our industry.

The aircraft as described above should be of interest to many foreign customers. I do not wish to discuss here the question of whether it would be appropriate in this case to try to develop the aircraft in cooperation with others, but the question very obviously arises.

Lastly, we must avoid a situation in which, 15 years or so down the road, we find ourselves in a spot as awkward as that which led to abandonment of the ACF program. We must neither aim too high nor seek too much sophistication, but neither must we accept any jeopardizing of capabilities whose lack would place us in a position of qualitative inferiority with respect to the potential adversary. That is easier said than done.

Future Transport Plane

The ability to deploy mobile and well-equipped airborne forces quickly and at great distances as soon as the need arises is an essential condition for carrying out our action strategy in the world (8). It will be noted that that ability constitutes one of the four characteristics making our country a world power: it is a permanent member of the UN Security Council, possesses nuclear weapons, is capable of deploying forces outside its home territory, and is responsible for overseas departments and territories (9). It will also be noted that so far--at least officially--the five permanent members of the Security Council constitute the "exclusive" club of nations possessing operational nuclear forces and that the only one of those nations without significant projection capability outside its territory--the PRC--finds its freedom of diplomatic and military action singularly limited as a result.

The requirement that France maintain and even improve that situation is recognized in the annex to the draft programming law referred to above (6):

"Particular attention must be paid to maintaining appropriate air transport capability (on the order of 100 operational transport planes) (10).... Steps will be taken, in collaboration with the civilian air and maritime transportation companies, to provide a better guarantee of the necessary long-distance transportation when needed."

One hundred operational transport planes. The last units of the faithful Nord-2501's having recently been retired from service, the military air transport service now has only 5 DC-8's and 70 or so C-160 Transalls, less than one-third of which are classified as "new generation." The rest of the Transall fleet was delivered between 1967 and 1971, meaning that the oldest of those planes, which are often used in trying weather and aerological conditions, will soon be celebrating their 20th birthday.

The conclusion is an easy one: only three-fourths of the need for about 100 transport planes--already noted in previous laws--is /currently/ being met, and that is strictly in terms of numbers, since it does not mean that 75 planes are permanently operational. Some 50 or so of those aircraft will reach their 30th year of service between 1995 and 2000, and that is the time when it is desirable to replace them.

Unfortunately, it does not seem possible to hope that they will be replaced that quickly. The 1990's will be a decade in which a number of major programs will have to be carried out, each a bigger priority than the last, and this will involve the joint departments as much as each of the three services. And the ranking of those priorities will probably not favor the ATF [future transport plane]. Moreover, the minimum characteristics being contemplated for that aircraft (10 tons of payload at 7,000 kilometers without in-flight refueling) rule out the idea of a small production run unless we are willing to pay an exorbitant price per unit. It is therefore necessary to plan for a wide market, since orders for several hundred aircraft are the necessary condition for bringing about a significant reduction in the unit cost. But the need for military transport planes of this category on the part of friendly and allied powers with which cooperation leading to substantial savings is possible--the United States, the FRG, and Great Britain--will not exist until around the end of the first decade of the 21st century (11).

All that is a way of saying that this project, the carrying out of which is absolutely essential if we want military air transport in our country to survive over the long term, is not going to see the light of day except in the medium term. So even if France is to be the chief beneficiary, we must start thinking now about the stopgap measures which will enable us to delay the inevitable decline in our air transport fleet. Several steps are possible, and they should no doubt be taken simultaneously, although it is premature to go into details: we need to define, finance, and implement the technical measures making it possible to prolong the life of the "old" C-160's currently in service; optimize that prolonged life by using the Transalls only for missions corresponding to their optimal performance, which means procuring about 20 light cargo planes (12) for what we call "coastal shipping" (that is, the transporting of small cargoes over short distances); and make up for the residual shortfall in medium- and long-distance tactical transport capability

by purchasing well-tried equipment that is available on the market at a reasonable price. We would have to purchase enough to make up one transport squadron--that is, about 12 aircraft.

If those three steps are taken without delay and if, in addition, the provisions regarding long-distance transport that were mentioned in the above-mentioned draft law are quickly adopted, French military air transport will very probably be in a position, without seriously endangering its operational capability, to carry on until about 2005 or 2010, which is when the future transport plane should go into service.

A Few Concluding Thoughts

The consequences of decisions regarding essential programs must be accepted with no qualms. For example, the decisions made 20 years ago with a view to establishing the Strategic Air Force and the Strategic Ocean Force are still weighing on the structures of the Air Force and the surface Navy. But they had to be made, and considering the extremely high value added to our defense by the establishment of those forces, none of us can regret the difficult years they have caused.

For all that, the vigilance of the decisionmaker should not be defeated by purely short-term considerations whose acceptance would jeopardize the coherence of defense policy. On that point, the role of the decisionmaker's military, scientific, and technical advisers is of prime importance.

In any theater of operations, the use of air weapons commits the politician to a much lesser degree than the sending of ground forces to the site, and this is true whether the operation in question is concerned with intelligence, support, or retaliation. In a sense--although it probably does not always appear that way to those against whom they are used--those weapons are "soft" instruments of intervention (13).

Even though France was one of the very first countries to participate in the birth of both civil and military aviation and has now been one of the biggest contributors to its development for nearly a century, the notion of an /air component/ does not seem to be deeply rooted in French political and military consciousness. To tell the truth, the fact that it is still necessary, at the end of 1986, to write an essay to establish its existence, convince people of its importance, and emphasize the validity of the concepts it underlies leaves me a little perplexed.

However that may be, I hope that these few pages will help make people aware of how very much it will mean for our country "to have" (14) new generations of combat and transport aircraft in due time--that is, very soon.

FOOTNOTES

1. Concerning the last-named principle, see the very interesting exposition by Gilles Polycarpe in DEFENSE NATIONALE, December 1986.

2. The Air Force as such was not established until then. Previously--like today's ALAT [Army Air Corps]--it had been merely a branch of the Army.
3. Operations referred to collectively in English as "counter air," a term which has no French equivalent. A distinction is made between "offensive counter air" (OCA) and "defensive counter air" (DCA). See "Reflections on New Concepts of the Alliance," DEFENSE NATIONALE, February 1986.
4. Quoted by General Achille Lerche, then a major general in the Air Force, during his closing speech at the symposium "From Aeronautics to Space" at the Sorbonne, 27 November 1985.
5. Concerning the problem of the use of forces and the quality of resources in actions outside the country, see the lucid and objective analysis by General Michel Forget in "The Offshore Wind," DEFENSE NATIONALE, June 1986.
6. See National Assembly Document No 432, first regular session of 1986-1987, annex to the minutes of the meeting of 6 November 1986.
7. Or at least by limiting the corresponding financial effort for development to refitting the platforms involved to carry modern weapons consistent, in terms of effectiveness, with their intrinsic value.
8. See the speech by Prime Minister Jacques Chirac to the IHEDN [Institute for High National Defense Studies] on 12 September 1986, published in DEFENSE NATIONALE, November 1986.
9. According to Thierry de Montbrial, director of the IFRI, at a symposium on France's external security that was held on 23 January 1985 under the auspices of the Spaces 89 Club.
10. The text appearing in the copy of Document 432 in my possession ("on the order of 100 operational transport planes") seems to have a misprint.
11. The manufacturers, departments, and general staffs of the four countries are now working on a definition of the FIMA (Future International Military Airlifter).
12. On this subject, see the article on the ATM 42-L proposed by AEROSPATIALE [National Industrial Aerospace Company] that appeared in LE MONDE on 17 December 1986.
13. English speakers call them "soft weapons."
14. "To Have and Have not" by Ernest Miller Hemingway (1937). I seem to recall that the famous American novelist was not referring to aircraft in that ambiguous title.

11798
CSO: 3519/114

DETAILS, COST OF NEW LST PRODUCTION

Athens I KATHIMERINI in Greek 14 Apr 87 p 1

[Text] During a ceremony at the Elefsis Shipyards yesterday, the laying of the keel took place for the first of the five LST's that are going to be built on the basis of a program lasting until 1990 that has been set up by the Navy.

The relevant study and the designing of the ships was done by the Navy with the assistance of professors from the Greek Metsovian Polytechnic School. The operational capabilities of these ships have been defined especially to take into account the special features of their mission in the Aegean.

The cost of the LST's is \$400 million at current prices. This sum includes the Greek added value, which amounts to more than 60 percent.

The technical specifications of these ships are: Overall length 113.4 meters, length between perpendiculars 106.4 meters, width 15.3 meters, depth molded 8.74 meters, draft 3.44 meters, operating speed 16 knots, and total loaded displacement 4,300 tons.

Attending the ceremony were the deputy minister of national defense, Th. Stathis, the head of the Naval General Staff, Vice Admiral Leon. Vasilikopoulos, the head of the fleet, Vice Admiral Khr. Lymberis, the management of the shipyards, and others.

In a talk that he had with journalists, Stathis acknowledged that the recent crisis in the Aegean had resulted in increased pressures to shorten the execution deadlines in the arms programs.

In addition, in his order of the day the Naval General Staff head, Vice Admiral Vasilikopoulos, referred to the importance of these naval armaments as well as to the recent crisis in the Aegean.

At the Elefsis Shipyards the modernization of the destroyer "Miaoulis" is also going on, and it is expected that this work will be completed by the end of 1987. Among other things, a helicopter landing platform will be placed on this destroyer.

12114

CSO: 3521/112

MINISTRY OF DEFENSE LAW OPPOSED BY MILITARY CHIEFS

Lisbon SEMANARIO in Portuguese 24 Apr 87 p 10

[Article by L.M.: "Organizational Law of the Ministry of Defense is Questioned; Military Pressure Soares Against the Government"]

[Text] They first opposed it with the opinion sent to the Ministry of Defense, and later with the president of the republic at the lunch with Soares last week.

They disagree with many points of the law, specifically the position (created by the aforementioned organizational law) of an Armed Forces Inspector-General, who, in their opinion, appears as a "super CEMG-FA [Super Armed Forces Chief of General Staff]."

They also disagree with the creation of 800 new slots for public officials within the framework of the Ministry, distributed in four new general directorates: Defense Policy, Personnel Management, Armament and Finances, and Economy, plus a General Secretariat (of broad framework) and by support services for the aforementioned inspector-general.

They reject "interferences by civilian bodies at the summit of the defense structure in areas of their jurisdiction and responsibility that are within the purview of the military commands already existing." In their opinion, there is already "a platform for the integration of the management and command areas of the armed forces into the direct administration of the state." That is why they believe that it should serve the civilian authorities for institutionally assuming the definition and political orientation of defense," and not for leading to a debilitating interference."

Critical Opinion

In the opinion sent to the minister of defense and to which SEMANARIO made public reference for the first time, the military commanders maintain that the configuration of the organization structure to be adopted by the Ministry "should, naturally, consider the existence of the experience acquired with the present structures of the armed forces."

The document says: "The dovetailing of the agencies and services to be created should be characterized by their involvement and complementation and not by sectorial interference and/or operational superimpositions." It adds: "If the latter occurs, that situation would inevitably lead to the duplication and swelling of structures and, as a result, to lines of authority and responsibility that are unclear and uncertain, drastically reducing capabilities and necessarily creating additional and superfluous tasks (...) and efficiency and decision-making capabilities reduced because of the lengthening and increased complexity of the decision-making process."

The military hierarchy also believes that the interpretation made by the civilian structure of the authority and jurisdiction of the minister "is too intrusive."

They explain: "To attribute to the minister the direct administration and/or operational authority over intrinsic segments of the armed forces is clearly something that the National Defense and Armed Forces Law does not recommend." They remind Leonardo Ribeiro de Almeida in the document they sent him that he is, according to his official charter "only responsible for the administration of the armed forces."

The military men also reject the tendency of the aforementioned organizational law to "subordinate agencies of the Armed Forces General Staff and the staffs of the military branches in the General Directorates of the Ministry by means of a so-called joint operational system" and "the granting to an internal type General Secretariat the characteristics of an interfering body in the administration of the branches."

A Super CEMGFA?

The military commanders, on the other hand, emphasize "the tendency to centralize in the organization of the Ministry, significant parts of the administration of the armed forces." They point to one specific example: "The creation and insertion in the ministerial structure of the Armed Forces General Inspector's Office, with the power of intervention in operational readiness and coordination of general inspections of the branches." This, in their opinion, "clashes with the stipulations of the National Defense Law with respect to the functions of the CEMGFA and the Chiefs of Staff." They ask: What would the Inspector General be? A super CEMGFA?"

Therefore, the military commanders believe that the minister should use the structure of his "principal military adviser," the CEMGFA. They criticize the fact that the law does not specify whether the post should be held by an active duty or reserve officer. They even attribute this omission to the fact that the law appears "to have been made to order to allow Admiral Sousa Leitaó, a childhood friend of Minister Leonardo Ribeiro de Almeida, who is now going into the Reserves because of age in December, to remain in a high post in the rankings, even when he goes into the reserves."

In short, the military high command believes that the government's organizational law leads "to the creation of a Ministry of the Armed Forces and to profound interferences in the operational management of the military institution."

PORTUGAL

MILITARY

BRIEFS

U.S. ANTIAIRCRAFT PLANS--The United States appears interested in strengthening the antiaircraft defense of the Azores Archipelago, which some interpret as an admission of an American interest in the transfer of the fighter-bombers squadrons based in Spain to that archipelago [Except] [Lisbon O DIABLO in Portuguese 28 Apr 87 p 4] 8908

ALLEGED LEFTIST LEAFLETS--Leaflets are appearing in the barracks. Unsigned documents for sowing destabilization. As has already been revealed, such documents have one origin: The usual; leftist centers of the old MFA [Armed Forces Movement] and even communist sectors. The language is well disguised but there are no doubts. [Excerpt] [Lisbon O DIABLO in Portuguese 28 Apr 87 p 4] 8908

CSO: 3542/90

WEAPONS SOLD SECRETLY TO 'DICTATORIAL REGIMES'

Madrid CAMBIO 16 in Spanish 27 Apr 87 pp 156-161

[Article by Juan Gomez and Juan Jose Vega: "Secret Arms Sales"; first paragraph is CAMBIO 16 introduction]

[Text] Spain, despite the last declaration of intentions by the government of Felipe Gonzalez, continues to sell weapons secretly to dictatorial regimes such as that of Chile. There exist official documents on the sale of weapons in the past 4 years which contradict each other and which place this policy in evidence. Faced with the secretiveness of the Executive, the opposition is becoming more and more belligerent. These are the facts that characterize the present of a subject on which the PSOE has made a 180-degree turn in its policy. Behind all this is the latent crisis of the Spanish military materiel industry.

The government of Felipe Gonzalez, which the overall opposition accuses of a lack of clarity about its activities, is going to have to respond before a parliamentary commission on one of the subjects in which obscurantism is almost complete: The sale of weapons to dictatorial regimes or to countries fighting a war. The opposition, headed by CDS Deputy Agustin Rodriguez Sahagun--former minister of defense--and Communist Enrique Curiel, is ready to break the circle of silence imposed by the Executive on this subject.

A new case discovered by CAMBIO 16 has come to demonstrate the scant interest of the Socialist Administration on informing about questions having to do with the weapons trade. A Spanish citizen is being held by Iranian authorities since early March, implicated, it appears, in "illegal payments" related to the sale of weapons to Iran.

This citizen, who could become the protagonist of a new "Pecina Case," declared in a telephone conversation with staff members of this magazine from his room in a hotel in Teheran in which he is being held, that the company for which he works "is Spanish." Ministry of Foreign Affairs sources limited themselves to reaffirming to CAMBIO 16 that Iranian police authorities have withheld his passport, but refused to provide any other detail on the matter. Once more the law of silence has spread over the international trade in arms.

Powerful reasons led the government to refuse all type of information on the sale of military materiel. "Responsibilities of government" have caused the Socialists to forget the principles, that when they were the opposition, they defended with courage. In 1978, Luis Yanez, officer in charge of foreign relations for the PSOE, declared: "Parliament should control arms sales." Today, the opposition is tired of the continued evasions by the ministries implicated and by the Interministerial Board for Regulating Foreign Trade in Weapons and Explosives.

The government has in its hand this year's forecasts on Spanish exports of military materiel. The foreign market for these types of products is officially set at 60 billion pesetas, which supposes a decline of 27 percent by comparison with sales last year, when they rose to 82 billion. Officials of the National Institute of Industry [INI], have acknowledged to CAMBIO 16 that the future of the state companies of the defense sector, which in 1986 exported 32 billion pesetas worth of weaponry, is difficult. Bazan lost 13 billion pesetas in 1985 and 12,714,000,000 in 1986. The Santa Barbara Company lost 7 billion and 13,749,000,000 pesetas, respectively, in the same years.

Aeronautical Constructions, S.A. (CASA) had 1,638,000,000 pesetas in profits in 1985 and in 1986 it has harvested 8,579,000,000 in losses. The president of this company, Francisco Javier Alvarez Vara, former director general of INI, recently asserted that "exports of Spanish armaments have undergone a large decline in the past 2 years. From almost 200 billion pesetas in 1984, they dropped to half that in 1985."

The crisis of that sector, which employs 60,000 persons between the state and private companies, has led the government to ignore ideological principles. Some of the companies deal with dictatorships of countries such as South Africa, condemned by the United Nations. The Executive closes its eyes to private companies that through GAMESA (Auxiliary Metallurgical Group, Inc.) have sold weapons to countries at war like Iraq and Iran.

However, a report from the government to Parliament has unleashed the controversy. In it, it is acknowledged that the Executive authorized the exports of spare parts for 24 MBE-105 helicopters and optional equipment and weapons systems to Iraq in 1984. According to the information made available to Parliament, the export license for this materiel dates from 1979, but nothing is said of the more than 5 billion pesetas worth of munitions and explosives that were exported to Iraq that same year and which appear in the statistics of the General Directorate of Customs. The secret comes to light again.

With respect to Iran, the report says that only 10,000 kilograms of seismic gum [goma sismica]--an explosive--for industrial use were exported in 1986. However, the sale of weapons, with the passiveness of the government, to countries in conflict, through nations that act as intermediaries, appears clearer every day, according to documents provided by Deputy Enrique Curiel.

Some of the Spanish weapons exported during 1986 to Iran via Damascus were shipped on chartered flights supervised by the national flag company Iberia, it was revealed by Enrique Curiel. Others were shipped from Barcelona with destination Libya or Syria on ships chartered by the Iranian state company: Islamic Republic of Iran Shipping Lines.

The shipments supervised by Iberia and kept secret, were made on 19 and 28 February last year and consisted of 51 crates weighing 25,323 kilograms and another 104 crates with a weight of 51,428 kilograms. In both cases it was indicated that the merchandise was "defense materiel." The supplier was GAMESA, a company with very good relations with Teheran, which used the services of airline companies like Atlantica Linea Aerea Sudamericana and Race Aviation.

The Islamic Republic of Iran Shipping Lines Company participated in shipping military materiel with official destination of Libya and Syria between October 1985 and March 1986. The ports of origin were Santander, Bilbao, Barcelona and Valencia, and the weapons shipped came from GAMESA, Explosivos Rio Tinto and Santa Barbara.

The various ships used, which flew Greek, Bahamian and Panamanian flags, made stops in every case at the port of Las Palmas. This stop would explain the final destination of the weapons: Iran. The route allowed them to avoid the Suez Canal, going around the Cape of Good Hope to arrive at the Persian Gulf. This is something they should never have done if their final destination were Syria or Libya.

In the case of South Africa, irregularities in exports of military materiel appears in official figures themselves. According to the communication from the government to the Parliament last February, Spain only authorized the sale of pistols and revolvers to the racist regime of South Africa between 1983 and 1986, since they could be included in the section of sporting weapons. However, statistics on foreign trade of the General Directorate of Customs, show the shipment of shells, munitions and mines to that country in 1984.

Even after the government decided to embargo exports of all types of weapons with destination South Africa in September 1986, including hand weapons, there appears a secret shipment. Statistics at Customs show that revolvers and pistols and miscellaneous parts valued at more than 10 million pesetas were sold in October.

Chile and Paraguay, two South American dictatorships of a racist nature, have also benefitted from the ambiguity of the Felipe Gonzalez Government. While in 1978 the PSOE, within the framework of the World Conference of Solidarity with Chile, demanded a halt to the sale of weapons to the Pinochet regime, it was not until August 1986 that the Socialist Government decided to ban the exports of military materiel to Chile. Four months later, it adopted the same measure with respect to Paraguay.

In that case also, official statistics appear to want to give the lie to the government. During the months of September and October, shipments of pistols, bullets and munitions to Chile are shown for a value of more than 2 million pesetas. Before these dates, Spain was one of the principal suppliers of weapons to the Chilean dictatorship. In 1983 it provided Pinochet with weapons valued at 2,377,000,000 pesetas; in 1984 it reached

12,151,000,000, in 1985 weapons sales were 492 million pesetas and last year, before the embargo, 368 million pesetas worth of weapons had been exported to Chile. In that period, the government authorized the sale of 37 CASA-101 aircraft under the terms of a 1980 agreement.

Paraguay, one of the oldest and fiercest dictatorships of the American Southern Cone with a president, Alfredo Stroessner, who boasts of supporting all types of fascist and neo Nazi movements in the world, found no problem with the Spanish Government. In 1986 Paraguay bought recoilless 106 millimeter cannon from Spain costing more than 230 million pesetas, in addition to 81 and 120 millimeter mortars and shells.

However, these figures, even though important, are only the tip of an iceberg that the government itself declares it knows nothing about. Officially there are no illegal exports of weapons. However, as in the case of witches, everyone knows that if they exist we have them. Felipe Gonzalez acknowledged last February during his reply to Basque Deputy Juan Maria Bandres, that there could be "some situation of deceit or fraud" in that area. He also said that the present regulation of that trade, which dates from 1978, could be changed to prevent those cases. However, the figures reveal that the Executive fails to keep his own resolutions.

Few trust that the government is willing to get to the bottom of this because of the important interests and problems that exist in the military materiel production sector. Spanish Minister of Foreign Affairs Francisco Fernandez Ordonez declared last December that in the criteria for the sale of weapons "whether or not a country is democratic," is not considered "but pragmatic, criteria are followed." It appears that government policy is that of the phrase coined by Felipe Gonzalez on his trip to China: "It makes no difference whether a cat is white or black, the important thing is that it hunt mice."

[Box, p 156]

Who Lies?

5 May 1986--Inocencio Arias, spokesman for the Office of Diplomatic Information of the Ministry of Foreign Affairs, acknowledges that the Spanish Government has sold Chile 21 C-101 aircraft. "If we do not sell certain military materiel to countries such as Chile, there will be some other country that will," he said.

7 May 1986--The vice president of the government, Alfonso Guerra, said that the revelation of sales of weapons to Chile by union leader Rodolfo Seguel "Could have been an incentive for internal consumption in Spain."

27 October 1986--Minister of Relations with the Cortes Virgilio Zapatero answered a question on exports of weapons to Chile: "Neither this government nor the previous one has made any contract for the sale of weapons to General Pinochet. Neither does it know that they were sold by previous Executives. Therefore, it is not necessary to seek rescission of inexistent contracts."

20 November 1986--Minister of Defense Narcis Serra declared in the Congress of Deputies that the government does not sell weapons to Chile or South Africa. He asserts: "This is a policy that is strictly followed." A month before he had said in the Cortes that the government had not sold weapons to Pinochet and that he was not aware that previous governments had done so. An official report from the Executive sent to Congress on 4 February 1987 admits sales to Chile up until August 1986.

25 November 1986--Minister of Foreign Affairs Francisco Fernandez Ordonez repeats, after Irangate exploded, that the government has not authorized exports of weapons to Iran and Iraq. Five days before, Narcis Serra had declared to the Congress of Deputies that the government had decreed an embargo on weapons to Iran and Iraq.

22 December 1986--Minister of Foreign Affairs Francisco Fernandez Ordonez revealed that exports of weapons and munitions had been banned to the regime of General Pinochet since last August. Ordonez admits that the criterion for the sale of weapons to a country is not based on "whether it is or is not democratic, but rather a pragmatic criterion is followed, because among other things, there would be difficulties in coming to an agreement."

9 February 1987--The government assures us that there have always existed "documentary safeguards" on the final destination of weapons sales abroad and it denies that the Executive authorizes the export of military weapons or munitions to Iran in reply to parliamentary questions by CDS Deputy Agustin Rodriguez Sahagun.

25 February 1987--The president of the government, Felipe Gonzalez, declares in the debate on the state of the nation that the Executive has not approved sales of weapons to Iran valued at \$280 million. He also declares: "We have not authorized the sale of weapons to Morocco."

2 April 1987--Secretary of State for Commerce Miguel Angel Fernandez Ordonez acknowledged in the Congress that the government has not sold weapons to Chile but has authorized private companies to export them.

8908

CSO: 3548/77

AP MAKES CONCILIATORY REPLY TO GOVERNMENT CONSENSUS PROPOSAL

Madrid CAMBIO 16 In Spanish 4 May 87 pp 37-38

[Article by Ana Vaca de Osma: "AP: Yankee Aircraft out of Torrejon"; first paragraph is CAMBIO 16 introduction]

[Text] Popular Alliance [AP] is willing to support the government's request that the North Americans leave Torrejon and Zaragoza. It is one of its surrenders for arriving at a consensus on foreign policy.

The abandonment by the AP of its traditional theory of military integration into NATO and participation in the joint commands, is one of the greatest novelties of the proposal for consensus presented by this part in the debate on the policy of peace and security held in the Congress of Deputies. The offer has been rapidly accepted by the heads of Foreign Affairs, Francisco Fernandez Ordonez, and of Defense, Narcis Serra, who have pledged to inform the pertinent parliamentary commission on the progress of the negotiations with the United States once the next negotiation round scheduled for June has been ended.

The conciliatory position of the majority opposition group, as well as the timid steps taken by the government toward a greater clarity in its informative policy, allows the harboring of a certain optimism on the possibilities of a future consensus in matters of a peace and security policy.

Coinciding in this assessment are the minister of foreign affairs and the AP spokesman in the Foreign Affairs Commission of the Congress, Miguel Herrero y Rodriguez de Minon. "There exist some appreciable areas for consensus in this matter," the chief of foreign affairs has said. He has not hidden from CAMBIO 16 that he finds himself "favorably surprised by the reasonable attitude shown by the Alliance spokesman." This politician was the one who responded to the proposal for consensus offered by the government with the greatest benevolence and clarity. Herrero affirms that he did not speak "on his own account," that his offer is the offer of the party and that it "will open the way for a new phase of consensus between the AP and the government, a consensus which, however, will only be possible to achieve in matters of peace and security and shall not be extrapolated to other questions of national policy. The ball is now in the government's court, which will have to respond to what in Alliance circles is described as good and serious desires of collaboration of the AP. The future consensus depends now on what they do."

Miguel Herrero himself, the man who suffered the greatest defeat in the last AP Congress and who is presently removed from the leadership posts of the party, asserts that he "carefully" prepared the contents of his speech, "an offer that has been endorsed by the party, as is proved by the expressions of support by Antonio Hernandez Mancha." The Alliance leader months ago expressed his desire to be able to make a pact with the government on affairs of state, a statement he made at the time he became president of AP.

The Alliance offer is based mainly on total support of the discussions by the government with NATO and includes a clear abandonment of the integration of Spain in the military structure of commands in this alliance, "at least for the time being." The conservative party will also support the Executive in negotiations for the reduction of the U.S. troops in Spanish bases, provided always that it responds to the general proposition of Atlantic security. Finally, the consensus proposed would offer conformity by AP with the denuclearization measures that the government may advocate.

So great are the desires for agreement by AP that its spokesman, Miguel Herrero, was one of the few parliamentarians who favorably accepted the formula expressed by Ministers Ordonez and Serra to explain how Spain would join in the Alliance: Participation in its military committees but not in its joint commands. "But, man, that is integration up to your neck!" exclaimed the spokesmen of the opposition in Congress. "That is not what we like the most, but..." Herrero limited himself to saying, recalling a favorite phrase of President Gonzalez: "White cat, black cat, the important thing is that it hunt mice."

That is the new pragmatism of the AP against the belligerent positions of its parliamentary colleagues of the PDP [People's Democratic Party], CDS and United Left.

Referring to nonnuclearization, the Alliance spokesman announced to CAMBIO 16 that his group will make a proposal for a law with a denuclearization statute that considers the possibilities of crises, because they believe it is important to make clear for once and for all the possibilities of the deployment of nuclear weapons in Spain in those cases. The AP is pleased with the new commitment contracted by the government whereby a hypothetical deployment would require prior authorization of Parliament, as is established by the model adopted in Denmark.

In the consensus offer made by AP there is also included the acceptance of the withdrawal from Torrejon of the 401st Tactical Wing of the U.S. forces. "We would like for them to remain but certain things must always be given up to attain a consensus, and at this point it is important to attain it."

Miguel Herrero guarantees that it would be dramatic if the expulsion of the North Americans is decided tomorrow and within 3 years a government of the center-right would call them back; or that Suarez would arrive at Moncloa and the first thing he did was to denounce the Spanish-North American pact. "You cannot operate that way; it is not serious," he says.

The idea advocated by Herrero is a novelty in the up to now bad relations between the government and the main opposition group. However, it appears to be the first practical step in the new directions imposed in the conservative party: To do everything possible so that affairs of state are not something that only the government and the PSOE handle. The leaders of AP have thought that the policy of security and defense is undoubtedly an affair of state on which they must begin to talk with the government.

Although the present moment is not the best--municipal, autonomous and European Parliament elections are already very near--the positions of the government and the AP are already a positive step in the desired consensus on the policy of peace and security, which must also include, according to Miguel Herrero, the policy on the Strait, military personnel and the information provided to public opinion on these subjects.

Government and the AP have come closer in their positions, according to the AP spokesman, but it would be "ridiculous" to have a consensus "between two" in a multiparty system. The plan is to seek an expansion of that possible agreement to the PDP, CDS, Catalans and Basques. In principle, the United Left is discarded.

Miguel Herrero asserts that the content of the AP proposal "is an idea of mine," adding that "it has the support of the party and denotes a certain conviction about the final success of this consensus, although he admits that the road is not easy." For the moment, the parliamentary representatives of the PDP, CDS, Catalan Minority and the Basque Nationalist Party are not so optimistic. The representatives of the United Left view the pact as "impossible."

Joseph Palau, member of the PCE [Spanish Communist Party] and one of those responsible for the anti Nato campaign, is not surprised at the AP-PSOE idyll "because the basic lines of the government policy are based on a philosophy of the right," and he is categorical when he says: "United Left cannot agree to a consensus on a policy that violates the mandate approved in the NATO referendum."

United Left would only be willing to agree on a consensus if the NATO military committee is abandoned, if the bilateral treaty with the United States is cancelled and a statute is prepared on the nonnuclearization of Spain with the ranking of organic law.

For the time being, only the PSOE and the AP have expressed their favorable position. We must wait for the June elections to see whether other political forces join them. For the moment, the staffs of the parties are more concerned with preparing for the electoral campaign that begins next 22 May.

8908

CSO: 3548/77

AGREEMENT SIGNED TO SELL TURKISH BONDS IN FRG

Istanbul DUNYA in Turkish 27 Feb 87 pp 1,11

[Text] Frankfurt--The agreement envisaging the export of bonds worth DM 125 million by the Central Bank to the FRG was signed in Frankfurt yesterday.

The agreement was signed by Gazi Ercel, the deputy director general of the Treasury, on behalf of Turkey and Martin Kohlhaussen, a member of the board of directors of Commerzbank, on behalf of the FRG at a ceremony held in the corporate headquarters of the Frankfurt-based Commerzbank. Also present at the ceremony were Central Bank Deputy President Zekeriya Yildirim and Commerzbank Chairman Volter Seipp.

Central Bank bonds will thus be traded on international capital markets for the first time.

According to the agreement, Central Bank bonds worth a total of DM 125 million will be quoted in the Frankfurt Stock Exchange and will be marketed by international banks. Foreign private individuals and companies will be able to purchase the bonds.

The bonds, which are made out "to the bearer," have nominal face values of DM 1,000 and DM 10,000. The bonds carry a fixed interest rate of 6.785 percent payable once every year and a maturity term of 5 years at the end of which the nominal value of the bonds will be paid in full to their owners.

Yildirim: 'We Need Foreign Financing'

In a press conference in Frankfurt, Central Bank Deputy President Zekeriya Yildirim said: "We need foreign financing." Stating that the sale of bonds in international markets has become a major means of expanding credit resources, Yildirim said:

"This is a beginning. Its success is important. This is the first time we are entering international markets with bonds. Initial reports indicate that the Central Bank bonds have been received well in the markets. Beside our citizens residing here, foreign private citizens and companies will be able to buy these bonds."

Asked why the FRG was chosen for the foreign sales of bonds, Yildirim replied:

"The selection was primarily based on the fact that such transactions are possible in the FRG. Another reason was that the FRG has the most dominant position in Turkey's trade relations."

9538

CSO: 3554/220

BANK PRESIDENT: USSR JOINT VENTURE REQUIREMENTS TOO TOUGH

Suggests Granting USSR Credits

Helsinki HELSINGIN SANOMAT in Finnish 7 Apr 87 p 23

[Article: "Jaakko Lassila, KOP: USSR Stipulations too Tough for Joint Ventures"]

[Text] Jaakko Lassila, President of the KOP, considers the provisos set by the USSR for joint enterprises so difficult that a portion of the ventures would be scrapped for no other reason. Lassila maintained that the willingness for cooperation would certainly be found in Finland if the preconditions were reasonable.

Lassila interpreted the published legislation to mean that the joint ventures must seek their profits outside the Soviet Union. "This is, to say the least, a very stringent demand which will make a major portion of the ventures impossible," said Lassila on Monday in a seminar organized in Helsinki by KAUPPALEHTI and EKONOMITSHESKAJA GAZETA.

"In addition the foreign partner of the joint venture is expected to provide the necessary capital contributions by itself, although they would not have the same security value in the Soviet Union as elsewhere. Local sureties would certainly be more appropriate for local banks than for foreign ones. Few enterprises would have the economic opportunities for the acquisition of such capital," said Lassila.

For the alleviation of the Finnish-Soviet trade problems Lassila offers credit. "We are ready to offer credit to the Soviet Union if we can do it with exchangeable currency. This could happen for example by our covering a portion of the trade imbalance by the credit granted to the Soviet foreign trade bank by commercial banks," Lassila suggested.

Vayrynen Would Study Use of Free Currency

Foreign Minister Paavo Vayrynen stressed that increasing Finland's eastern exports above the agreed on lowest limit of the trade agreement presupposes the realization of eastern import agreement in its entirety. According to Vayrynen the overrun in the clearing account balance should be evened out

already this year. Export trade is now being carried on according to the lower limit of the agreed upon range. Finnish trade is determined according to how the import trade, especially the purchase of oil on commission basis, is realized and what the prevailing oil prices and value of the dollar are on the international markets.

Vayrynen said that the clearing system would remain as the basis of the eastern trade. Still it is important, according to him, that we investigate possibilities of supplementary free currency arrangements.

"This is especially necessary in order that Finnish enterprises can compete fairly in growing currency-based markets that will become available with the Soviet economic reforms," said Vayrynen.

"As the economic reforms increase the independence of Soviet enterprises and organizations we should make sure that we can get the necessary import goods within the framework of the clearing trade. On the other hand Finnish enterprises should be equally represented in developing trade with the Soviet enterprises and organizations granted foreign trade rights as they begin to carry out direct import and export trade," said Vayrynen.

TYT Dropped Small Enterprises

Finnish-Soviet cooperation in production (TYT) became one of the central subjects of the seminar. Its share in the export of Finnish instruments and machines to the Soviet Union in 1986 was 170 million rubles or 35 % of the exports in the area. This year the comparable figures are 200 million rubles and 44 %. The share of Soviet instruments and machines in TYT is 20 % or over 200 rubles.

A problem has arisen in that due to the narrowing of export opportunities in general the productive cooperation centered on a few large joint objectives has restricted the traditional exports in the metal industry. At the same time export of metals to the Soviet Union has become possible only for the large enterprises and numerous small ventures have been eliminated from competition.

Vayrynen suggested that cooperation in production should be aimed especially toward the third world markets.

Tauno Matomaki, chief editor of RAUMA-REPOLA, told that the leading objectives of the production union at present are specialized railroad cars plus computer and communications devices. "The machine and instrument area of the production unions manufacturing plan has at present about 100 objectives, of which only ten have been integrated into the framework of regular trade." According to Matomaki a significant goal would be to make the product selection of the production union more diversified than at present.

"In addition to the diversification of product selection we should be studying the possibilities of transferring the manufacturing of the production unions products into the Soviet Union itself, in which case we would avoid the back and forth transportation of the components needed in the production," said Matomaki.

Neste Signs Oil Agreement

Helsinki HELSINGIN SANOMAT in Finnish 11 Apr 87 p 41

[Article: "Neste Purchased 300,000 Ton Lot of Trading Oil from Soviet Union"]

[Text] Neste agreed with the Soviet Union Friday that the company will buy a 300,000 ton lot of oil for transmission to third world countries.

At the same time Neste informed the Soviet Union that it is ready to buy more of the trading oil at the present price.

The preliminary negotiations of the Finnish and Soviet trade delegations ended late Thursday night in Koningstedt. The discussions led by Vice Secretary of State, Paavo Kaarlehto, and Assistant Minister of Foreign Trade, Vsevolod Vorontsov, did not include the proposal recently set for by the Finns for supplementing the present clearing trade with hard currency, but concentrated on the examination of trading oil and other eastern import questions.

The sticking points of the trade have not disrupted the atmosphere of the talks. The spirit of the negotiations has been good. The delegations agreed that the next meeting will be held in June. Negotiations can also be held before then should it prove to be necessary.

The participants noted that the trade between Finland and the Soviet Union in 1987 depends decisively on the conclusion of an about five million ton trading oil deal.

The Soviet Union still maintains it to be entirely possible to export to Finland all the goods covered by the trade agreement. Also the trading oil deals will be realized according to the plan conforming to the Soviet view.

The so-called customary importation from the USSR has taken place according to the agreement and in fact natural gas has been imported in excess of the agreement.

Agreements have been made already about 4/5ths of the "regular" imports. Agreement was reached less than a week ago about import lumber. Soviet imports will include 0.5 million cubic meters of saw logs, 2.8 million cubic meters of fibre wood and 100,000 cubic meters of other lumber products.

Some import quotas at present have fallen short. On the other hand, for example Lada-sales by Konela have started at a record pace.

Exports to USSR have proceeded so rapidly that the value of the eastern imports has not been sufficient to cover all exports. In reaching the trade agreement it was agreed that the balance of trade would be strictly adhered to, so that the funding would not become such a problem as it did last year.

Because of this Finnish exports will follow the lower limits stipulated for different product groups in this years trade agreement. The minimum will not

be exceeded until an agreement has been made about additional shipments of trading oil. Already almost all the export quotas under the trade agreement have been filled to the lower limit.

The Finnish-Soviet trade is commodity trade in which, according to the main rule, money does not change hands. Import will be paid by export. The realization of trade is followed through the clearing account of the Suomen Pankki, in which the unit of accounting is the clearing-ruble.

Only Tenth of Trading Oil Moved

Only a tenth of the trading oil deals agreed upon by the countries in January have been completed. The total amount of trading oil purchased this year is now about 55 tons.

Disagreements over price primarily have hindered negotiations between Neste and Sojuznefteeksport concerning trading oil deals.

During his visit to Helsinki Vorontsov was also in contact with the Neste leadership. Neste has also briefed the Finnish trade political leadership.

Now the prospects for agreement have been eased by the fact that the official OPEC price applied by the USSR is coming very close to the international market spot price level. The participants have also developed a method for equalizing price risk. The agreement has flexibility: if the market price rises or falls "too much" relative to the agreed upon price, the final price can be changed.

The price risk for Neste has resulted primarily from the fact that the OPEC price for crude oil, on the average 18 dollars per barrel, has been higher than the spot market price, where the trading oil customers are sought. On the other hand trading is hindered by a time factor: prices fluctuate rapidly at the markets and, for example, the trade agreements for May have already been made now, weeks before the deliveries.

Exporters Made Nervous

The uncertainty of the trading oil delivery schedule makes nervous not only the Finnish exporters but also the Soviet customers, who expect the promised goods and projects.

One alternative would be that the USSR would pay in currency. This was suggested over the weekend by Foreign Minister Paavo Vayrynen and Foreign Trade Minister Jermu Laine. According to the thinking of Finnish trade politicians the development of trade will become more difficult unless the USSR will resort to currency purchases during this phase.

Finland would like to speed its own exports by preferably with the help of currency rather than by increasing its own imports from the USSR. The credit in fact has already reached a total of 675 million rubles.

Finland apparently will continue to stress hard currency in lieu of better alternatives.

At an interview for KAUPPALEHTI during his visit to Helsinki, the Soviet government's Vice Chairman of the Foreign Trade Commission, Yuri A. Pekshev, this week rejected the thoughts put forth by Vayrynen and Laine. The Soviets do not want to mix clearing and currency trade.

The USSR has in the past sometimes used currency to finance trade. A possible reason could have been that sufficient funds were not available for the clearing quotas or that they were reserved for other purposes.

USSR, during the present situation, is strongly stressing that Finland should increase the export of machinery and instruments. Industry and trade officials however assure that all possibilities have been studied and the exporters have done their best.

Finnish export quotas for the USSR are overseen by the Licence Office. It will not grant export licences unless the trade takes off.

The building trades have suffered most from the freezing of trade. The Licence Office charts have applications for five major projects for which agreements have been made with Soviet customers.

On the list are a videotape factory by Haka at Voronezh, a diskette factory as a joint venture by TM-Engineering and Finn-Stroi near Moscow, a dairy by Finn-Stroi and Ingman at Riga, a bio-organic chemical Shimjak Institute ordered from Terasbetoni and the Moscow Circus by Polari.

The sum involved in the ventures is large, 1.2 billion markkas. This year's share of deliveries would be at most hundreds of millions markkas. This year's share depends on how early the deliveries and the work will begin this year. The quota for the building projects is based on payment: the "realization" of the quota is the same as the realization of the building export disbursements.

The delaying of the deliveries complicates matters because the agreed upon prices no longer rise although the expenses might rise while waiting for the start of the deliveries.

Last year's building exports to the USSR were 1.3 billion marks. This year's minimum is 135 million rubles, the upper limit 204 million rubles. the Licence Bureau has granted licences for slightly more than the minimum.

The USSR has the desire to order building materials from Finland up to the maximum of the commodity exchange agreement. One possible venture is Rakver's meat processing combination which has been under consideration for years already.

12989
CSO: 3617/78

AGRICULTURAL PROFITS INCREASED IN 1986 DESPITE DISASTERS

Rome IL MESSAGGERO in Italian 29 Jan 87 p 1

[Unattributed article: "Agriculture: Despite Disasters, 1986 Was Not All Black"]

[Text] It was a year characterized by disasters which penalized Italian agriculture heavily. Nevertheless it succeeded in achieving an increase in production, though a modest one. This is the profile of 1986 from the agricultural point of view, as described by Giuseppe Avolio, president of Confcoltivatori [farmers confederation].

The year 1986 was the year of methanol wine, which caused a collapse of vinicultural exports; the year of the Chernobyl radioactive cloud, which forced producers to destroy entire crops; the year of the spread of the hoof-and-mouth disease epidemic, with the slaughtering of thousands of head of livestock. And weather catastrophes were recorded through just about the entire extent of the country as well: droughts, freezes, floods. In many cases the agriculturalists are still awaiting the promised compensation payments, Avolio said. It is little wonder that the year did not produce exciting results: production rose by 2 percent; farm incomes stayed below the pace of inflation; products of the south were seriously affected; cultivated area fell 2.3 percent; the agro-food deficit reached the level of 14.335 trillion lire, an increase of 3 percent over 1985.

According to Confcoltivatori, 1987 is proving difficult as well. Two goals are set forth by the organization: the first consists in raising the nation's degree of self-sufficiency and improving the products; the second concerns community agricultural policy: the confederation wants measures to restore equilibrium and a support policy that favors those actually working for the market and on the other hand discourages those merely producing in view of the EEC stockpiles.

13070/12379
CSO: 3528/101

ECONOMIC SITUATION SEEN AFFECTED BY POLITICAL INSTABILITY

Lisbon EXPRESSO in Portuguese 26 Apr 87 pp 1, 16

[Unattributed report: "In March, Political Instability Impacts Business; Businessmen Temper Their Optimism"]

[Text] Two out of three members of the EXPRESS Businessmen's Panel believe that political instability was the factor (of the 18 listed in the monthly survey) that had exerted the greatest negative influence on the activity of their respective businesses. On the other hand, one out of every three of those polled expressed the view that during March improvements had been made in the government's economic policy. Whereas the censure motion, and the resultant political crisis, are the explanation for the attitude expressed in the first answer, the drop in interest rates decreed in late March probably contributed to the increase in the number of favorable responses to the economic policy of the Cavaco Silva administration.

Even though not everyone regarded it as the variable that had had the greatest impact on his business, 92.8 percent of the managers and proprietors on the panel said that political stability had deteriorated during this most recent period. In January of the present year 33.3 percent were of this opinion, whereas 17.9 percent believed that there had been an improvement in political stability. In February the responses were already showing a positive balance (see Figure 1), although the majority (90.9 percent) of those polled did not note any significant changes in this regard.

The poll of the panel carried out in the first weeks of the present month reflects a deterioration in the business climate by comparison with the results obtained for February, as they relate both to the trends recorded in March and to the business forecasts for the next 3 months and the next 12 months. Despite this deterioration, the business climate--as viewed by the panel--continues generally to be positive.

While remaining generally positive, the business climate--as determined by the poll of the EXPRESS Businessmen's Panel conducted in the first weeks of April on the subject of business trends during March--shows a substantial decline with respect both to the recent past and to the near future.

This tempering of the businessmen's optimism is particularly evident in their evaluation of the activity of their respective businesses by comparison with the previous month: the positive balance of 33.8 percent that was obtained in February declined to only 26.2 percent, as a result of the decline in the number of businessmen who saw an improvement in the activity of their businesses as compared to February, and also of an increase in the number of those who believe they have witnessed a deterioration in this activity.

The businessmen's predictions for the next 3 months and the next 12 months continue generally to be positive, although the percentage of responses that expect to see their businesses experience future growth--or strong growth--did decline in both instances. This decline, however, was caused by a significant increase in the number of those polled whose objective is preservation of their respective businesses; it is not reflected in any significant increase in negative responses by the members of the panel.

Although the survey relates to March, it is only natural that the managers and proprietors on the panel would take into account--especially with reference to their predictions--the circumstances relating to the political situation created in early April, the period during which they responded to our poll. These factors may have served to temper their optimistic attitude toward the future. It is a theory that could be either confirmed or refuted next month.

Interest Rates: Larger Reductions Wanted

Although 71.5 percent of the businessmen say that the "cost of money" improved in March and 31 percent now also view the "economic policy of the government" as a positive factor, the drop in interest rates decreed in late March was nonetheless not accepted unreservedly by the businessmen.

Indeed, when questioned concerning the timeliness of this measure, only 60 percent of those polled indicated that they approve of the moment chosen for the reduction in the cost of money. Moreover, 71.5 percent of the members of the panel disagree with the amount of the reduction, insisting that it should have been larger.

These results appear to indicate that even among managers and owners who head large units or economic groups (note that a number of bankers are on our panel), it is an almost universal conviction that interest rates should today be lower than those set by the monetary authorities.

Nor has the exchange rate of the escudo evolved in a satisfactory manner, inasmuch as this variable--in the opinion of the members of the panel--again deteriorated throughout March. The negative balance of the extreme responses is now 14 percent (38 percent negative opinions compared to 23.8 percent positive).

The EXPRESSO Businessmen's Panel consists of approximately half a hundred managers and owners distributed throughout Portugal on the basis of criteria that take into consideration both their representativeness in terms of the relative weight of the various sectors of economic activity within the framework of Portuguese business, and also the local importance of the opinions expressed by the business leaders chosen to serve on the panel.

For the third consecutive month there is an increase in the number of owners and managers who regard "domestic demand" as the most positive factor in the evolution of their businesses, rising from 28.2 percent in January to 41 percent in February and now to more than 45.3 percent of those polled.

Inevitably, the drop in interest rates caused many (45.3 percent) of the members of the panel to believe that the "cost of money" had been a decisive factor in the success of their businesses (bear in mind that each businessman can select two factors as being the most influential--negatively or positively--in the evolution of their business activity).

"Political instability"--with 62 percent of the references--dethroned "action by the competition" as the most negative factor in March. The latter reason obtained only 14.3 percent of the references, as against 20.5 percent obtained in February.

For its part, "foreign demand"--which 29.5 percent of those polled in February had cited as the factor having the most positive impact on the performance of their respective companies--declined to 23.8 percent in March.

Foreign Demand Slows Down

During March there was a sharp reduction in the number of members of the EXPRESSO Businessmen's Panel who cited "foreign demand" as a positive factor. Whereas half of those polled had been of the opinion that this variable evolved in a positive manner during February, only 28.5 percent still hold that view today. Conversely, there was an increase in the number of those who declared they had been influenced by a negative trend in "foreign demand" (from 2.3 percent of the responses in February to 9.5 percent today).

The positive balance between the extreme responses accordingly decreased from 47.7 percent (in February) to 19 percent (in March).

As already indicated by the initial tabulation of the figures for the trade balance, March was probably not a particularly good month for Portuguese exports.

In March there was also a smaller number of businessmen who were concerned about "action by the competition," with only 19 percent holding it responsible for a negative trend compared to 31.8 percent in February. In the meantime, "wage expenses" continued not to receive any positive mention by the managers and owners on the panel, although there was a sharp drop in the number of those who regard this variable as having evolved in a negative manner (down from 27.3 percent in February to 16.7 percent in March).

For their part, more of those polled now believe there has been a negative evolution in the "exchange value of the escudo" (from 34.1 percent in February to 38 percent in March), whereas there was a decline in the number of those who see an improvement in this variable (from 25 percent in February to 23.8 percent in March).

A reading of the following two graphs shows that the censure motion came at a time when the businessmen's support for the government's policy was increasing.

Figure 1. Influence of the Political Situation on Business Activity
(balance of the extreme responses)

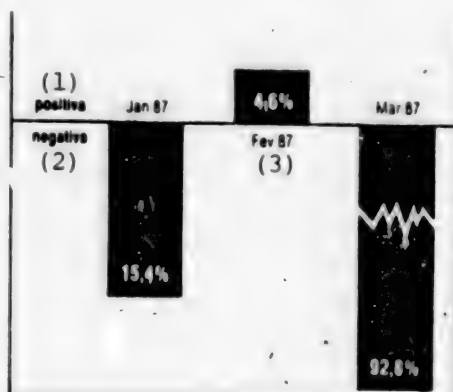
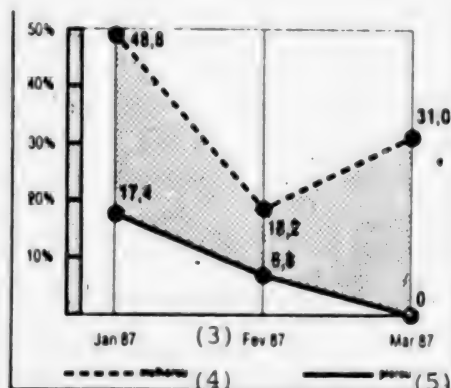


Figure 2. Economic Policy of the Government as Seen by the Businessmen



Key:

1. positive
2. negative

3. February 1987
4. improved

5. deteriorated

Figure 3. Business Activity (by comparison with previous month)

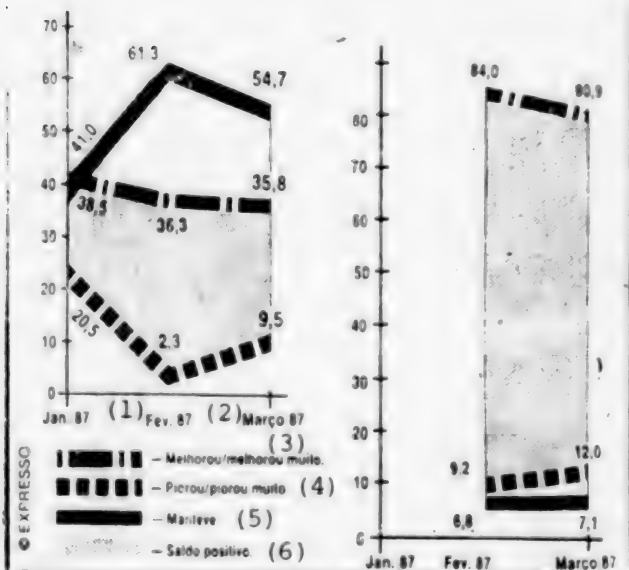
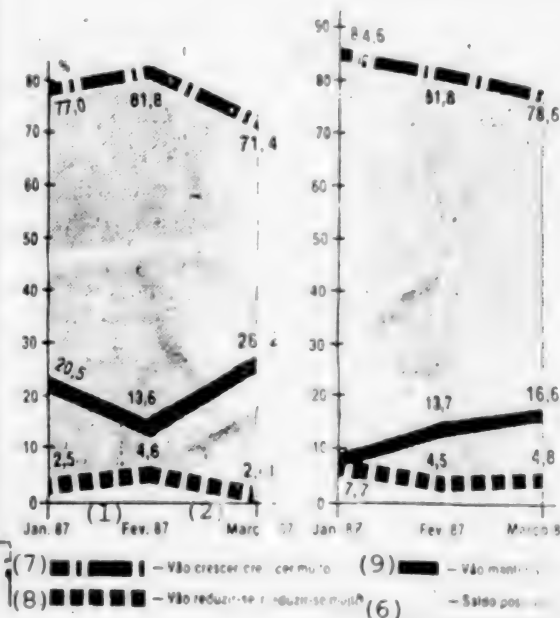


Figure 4. Panel's Forecasts for Business Activity

For next 3 months For next 12 months



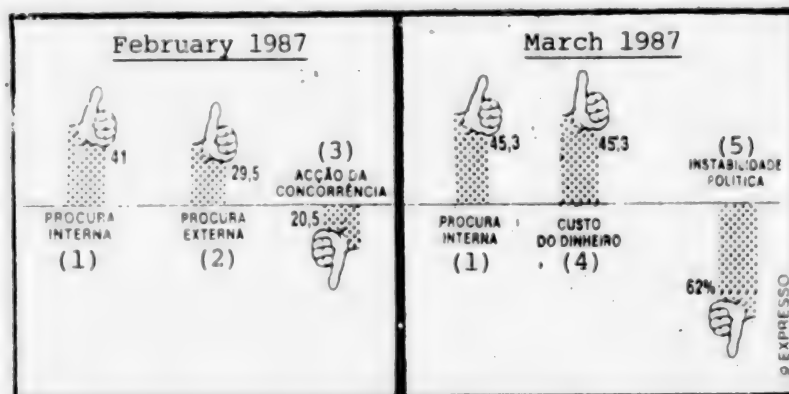
Key:

1. February 1987
2. March 1987
3. Improved/improved greatly
4. Deteriorated/deteriorated greatly
5. No change

6. Positive balance
7. Will increase/increase greatly
8. Will decrease/decrease greatly
9. Will be no change

At each of the four levels (in Figures 3 and 4) on which the businessmen appraise the evolution of business activity, there is one constant: a tempering of their February optimism.

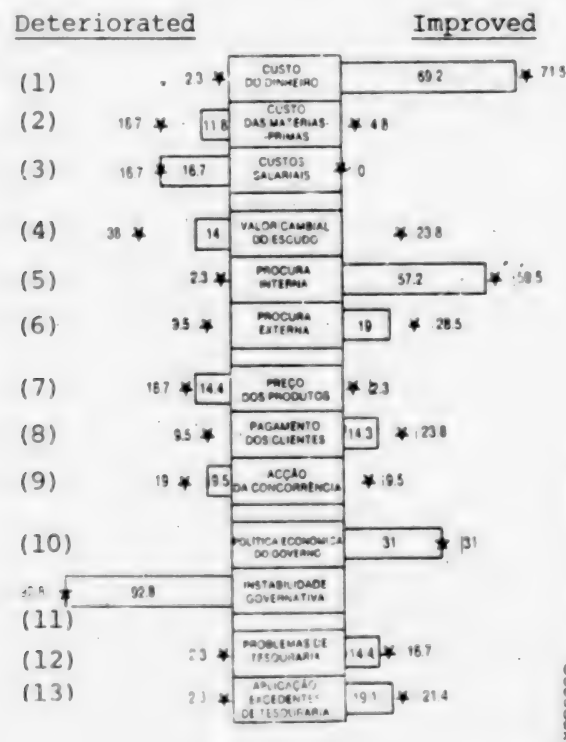
Figure 5. Three Most Significant Factors



Key:

- | | | |
|--------------------|------------------------------|------------------|
| 1. Domestic demand | 3. Action by the competition | 4. Cost of money |
| 2. Foreign demand | 5. Political instability | |

Figure 6.



Key:

- | | | |
|-----------------------------|-----------------------------------|---------------------------------------|
| 1. Cost of money | 7. Price of products | 11. Governmental instability |
| 2. Cost of raw materials | 8. Customer payments | 12. Treasury problems |
| 3. Wage expenses | 9. Action by the competition | 13. Application of treasury surpluses |
| 4. Exchange value of escudo | 10. Economic policy of government | |
| 5. Domestic demand | | |
| 6. Foreign demand | | |

10992

CSO: 3542/89

BRIEFS

UNEMPLOYMENT DECLINES--Madrid--Unemployment declined by 10,456 persons in March by comparison with the previous month, according to the Minister of Labor and Social Security. The total of unemployed in INEM at the end of March was 2,977,427, which makes the rate of unemployment 21.4 percent of the active population. In relative terms, the decline in March means 0.35 percent compared to February. In the previous 3 years, the number of unemployed declined by 11,073 in 1984, rose by 12,088 in 1985 and declined anew by 6,969 in 1986. By sex, male unemployment declined 33,526 in March, while feminine unemployment rose by 23,061. By comparison with last year, male unemployment declined by 55,204 persons in one year, while feminine unemployment rose by 229,255. The number of unemployed declined in 33 provinces and increased to 19 in March. By sectors, declines were registered in construction, 13,365 and in services, 2,780. In the group without previous employment (3,048), it increased, as it did in agriculture (1,908) and industry (724). Unemployment among the young under 25 years of age declined by 8,252 persons; that of young men declined by 15,545, while that of women increased by 7,093. Compared to March last year, unemployment among men under 25 has declined by 15,823 persons, while that of women under that age has increased by 74,720. [Text] [Madrid DIARIO in Spanish 12 Apr 87 p 21] 8908

CSO: 3548/77

DUTY-FREE AGRICULTURAL EXPORTS TO EEC ANNOUNCED

Istanbul DUNYA in Turkish 27 Feb 87 pp 1,11

[Text] Ankara (DUNYA) - The fourth and final customs reduction went into effect on 1 January 1987 in accordance with the resolution envisaging the reduction in four stages of customs duties on imports by EEC countries of agricultural products from Turkey.

List no 1 covers agricultural products of Turkish origin which will be exported duty-free to all EEC countries except Greece, Portugal and Spain.

The Under Secretariat of Treasury and Foreign Trade published in yesterday's RESMI GAZETE a circular specifying certain agricultural products which may be exported duty-free to EEC countries and exempting certain amounts of others from customs duties.

According to the 1980 agreement between Turkey and the EEC, the EEC [words omitted] lifting customs duties in four stages on agricultural products of Turkish origin. While [words omitted] are exempt from customs duties, for exports not made on specified dates, meanwhile, list no 11 covering agricultural products on which customs duties will be imposed was announced also. This list includes early potatoes, legumes, vegetables and fruits.

Special Reduction

Special reduction amounts specified for 1987 in EEC imports of agricultural products from developing countries will be valid for Turkey also. Although items on this list will be subject to customs duties, the duties will be reduced the same as for the other countries.

Agricultural products to be exported duty-free to the EEC as of 1 January 1987 are:

Livestock, meat and edible entrails, fish, crustaceans, mollusks, milk and milk products, bird and poultry eggs, natural honey, animal intestines, bladders and stomachs, whole or parts (excluding fish).

Animal products not mentioned or appearing elsewhere in the lists, livestock included in sections 1 and 3 and not suitable for human consumption, live plants and florist products, flower bulbs, roots, etc., cut flowers and leaves for corsages and bouquets, edible fruits and certain other roots and plants (excluding items in list no 11).

Coffee, tea and spices, cereal grains (position no 09.03) including Paraguay tea (mate), milled products, malt and starch, gluten, inulin, oil seed and fruits, various grains, seeds and fruits, plants used in industry and medicine, straw and animal fodder plants, lard and other rendered port fats, rendered poultry fats, suet (of beef and goat type animals) (raw and rendered), including suets called primary products (premier jus).

Stearin soler [word as published], olea-stearin, nonemulsified, additive-free olea-margarine and liquid pork fat, fish oils and marine mammal oil (solid or refined liquid), stabilized vegetable oils (solid or liquid), liquid or solid vegetable or animal oils in purified or refined, partially or completely hydrogenated or other form, (refined but with no further processing) margarine, lard substitutes and other solid oils described as "prepared," oil byproducts or byproducts of candle-making from tallows or vegetable oils, prepared foods made of meat, fish, shellfish and mollusks, beet and cane sugars (solid form), other sugars, sugar syrups, artificial honey (not mixed with natural honey), caramelized sugar and molasses, molasses (may be bleached), syrups and molasses with additives for fragrance or color (including vanilla or vanilla sugars but excluding fruit juices sweetened in any degree), cacao fresh and crushed (raw or roasted), cacao pods, (outer and inner) sheaths and refuse, compounds of vegetable and edible plants, fruit and other plants or plant parts (exceptions on list 11), partially fermented grape juice (fermentation may be retarded by a substance other than alcohol), fresh grape wine, fresh grape juice with fermentation retarded by alcohol (including misteller [word as published], apple wine, pear wine, honey wine and other fermented beverages.

Edible and potable items and their substitutes whether or not fortified or modified by agricultural products on the list, excluding ethyl alcohols, liquors and other alcoholic beverages and products used in the manufacture of beverages, food industry byproducts and waste, prepared pet foods, processed tobacco, tobacco waste, unprocessed natural cork and cork refuse, cork granules or powder, raw flax (soaked in water and combed to remove husks or otherwise processed but not made into yarn), flax refuse (including refuse from carding), hemp, (soaked in water and combed to remove husks or otherwise processed but not made into yarn), hemp refuse (including refuse from carding).

8349

CSO: 3554/212

POSSIBILITY OF JOINING WORLD BANK, IMF MULLED

Stich Advocates Joining

Zurich DIE WELTWOCHTE in German 9 Apr 87 p 27

[Interview with Federal Councilor Otto Stich by Marcel H. Keiser, date and place not specified]

[Text] As Federal Councilor Otto Stich explains in the following talk with WELTWOCHTE, the federal government would like to bring to a good end an old, already musty business, and as soon as possible: joining the Bretton Woods institutions (International Monetary Fund, World Bank, etc.). But the federal councilor himself is somewhat uneasy about it; a No by the people could bring the plans to a bitter defeat. For this reason, the federal government wants to take an intermediary step highly unusual for the government--that of a representative opinion poll.

[Question] In 1982, the federal government decided to adopt in principle a positive attitude toward the Bretton Woods institutions and to strive for Switzerland's joining them. On 23 May 1986, that is after the UN vote, the Federal Council commission for general economic policy reaffirmed that it would be wrong to close the file. Rather, voters were to be informed about the nature and function of the institutions. Has the position of the Federal Council changed meanwhile?

[Answer] No; we had no reason to rescind the decision. Therefore, there has been no change in the Federal Council's opinion that Switzerland's joining these institutions is desirable. At the same time, however, we note widespread ignorance about the nature of the institutions so that information work must be carried out which, however, is primarily a task of the media.

[Question] Before the media can take on this duty, they should know the government's present state of information.

[Answer] By way of trial, the Federal Chancellery concluded a 2-year contract with the opinion poll institute, DemoScope, for general opinion polls. Still in 1987, we will have a pilot poll taken within this framework. Naturally, it

will be of interest for the Federal Council to learn how well known the institutions of Bretton Woods are.

[Question] The result will probably be catastrophic.

[Answer] Most probably it will be unfavorable. Then we will have to consider what more can be done.

[Question] Is there already a time frame for when the Federal Council might intend to submit to parliament a message on joining?

[Answer] No, such a time frame does not yet exist. The Federal Council is now in the process of establishing goals for the 1987-1991 legislative term. In this context we will also discuss again the subject of Bretton Woods.

[Question] Would you personally, as head of the finance department, include joining among the legislative goals? If so, with what priority?

[Answer] The question is not quite easy to answer. If we want to have a chance of getting a seat on the important body of the Executive Council, then entry would have to be carried out speedily. Otherwise we would have missed the train which would, naturally, reduce Switzerland's possibilities of having a direct influence. Conversely, we all remember the result of the plebiscite on joining the UN. Furthermore, we are also aware of a certain opposition. The demoscopic poll will provide more detailed information.

[Question] Without a doubt, there will be a referendum against a bill. Is it wise to risk a debacle, since Switzerland today has acceptable relations with the Bretton Woods institutions?

[Answer] Admittedly, this is an important question. On the other hand, Switzerland is not in such a privileged position that they would wait and say, you will still be able to get everything in the year 2050 that you may want at that time. For this reason we will have to consider carefully the advantages and disadvantages of an application for membership.

[Question] Are there different views between the Federal Council on the one hand, and the National Bank on the other?

[Answer] There are no differences; rather, the Federal Council decision of 1982 is the joint official formulation. It must be kept in mind that our decision mentions no time frame for joining--it simply stresses the positive basic attitude.

[Question] To what extent are the Swiss Federation and National Bank today involved with the World Bank and IMF, respectively?

[Answer] Within the framework of the International Monetary Fund, the National Bank at present has 336.8 million special drawing rights (652.1 million francs), and 168.9 million special drawing rights (337 million francs) in the form of a credit grant to the Bank for International Settlement in favor of

IMF. The Federation on its part is at present engaged in the World Bank with somewhat over 500 million francs, however, as a short-term capital investment at usual market conditions. This money could be called back at any time.

[Question] When Switzerland joined the so-called "General Arrangements to Borrow," the National Bank in 1984 had to commit loan grants in the maximum amount of 1,020 million special drawing rights (1.974 billion francs). Have these credits been called in?

[Answer] No. This can be compared to an obligation-establishing credit which so far has not become a payment credit.

[Question] According to the decision by the Federal Council, Switzerland will be prepared to support possible further actions by the World Bank or the IMF. Has official Bern already been approached with such wishes?

[Answer] In view of the indebtedness crisis, further actions cannot be excluded. But there have been no concrete signals so far.

Relations with IMF, World Bank

Zurich DIE WELTWOCHEN in German 9 Apr 87 p 27

[Article by Marcel H. Keiser]

[Text] Only 3 days after the Swiss Federation had rejected Swiss entry into the UN in March 1986, the Zurich SVP national councilor Christop Blocher already raised a warning finger: the verdict proves the will of the people to preserve neutrality and sovereignty "integrally." A clear No emerged from the ballot boxes "against extended international involvement." This "clear expression of will" must be respected under all circumstances, which is why the Federal Council should go back to its basic resolution of 18 August 1982 and officially declare its renunciation of joining the Bretton Woods institutions—International Monetary Fund, International Bank for Reconstruction and Development (World Bank), as well as its subsidiaries, International Development Association and International Finance Corporation.

In its response, the federal government affirmed that, naturally, it respected the decision of the voting citizen. But at the same time, it is of the opinion that he does not "put in question our policy of close cooperation with the United Nations." In its opinion, the Bretton Woods institutions (BWI) are of great importance as a stabilizing factor in the international finance and currency sector, as well as an important multilateral financing source for international development aid. For this reason the Federal Council, "in accord with the National Bank," intends to continue the "pragmatic cooperation" which has developed with the World Bank over the years. The executive body also reminded of the fact that in 1984, Switzerland joined the General Arrangements to Borrow and became a full member of the Group of Ten.

This statement at the time elegantly avoided the political stumbling blocks. In today's interview with WELTWOCHEN, however, Finance Minister Otto Stich

states that the Federal Council still plans to continue not only the "pragmatic cooperation," but to propose Switzerland's entry into BWI to parliament at some point. Financial guardian Stich, however, at this time does not want to mention a time frame for the message to the Chamber, but obviously he is in principle of the opinion that something should be done now. He categorically denies differences between the Federal Council and the National Bank (SNB), although he is undoubtedly aware that the financial institution is watching the government's activities with a lack of enthusiasm.

Markus Lusser, vice president of the SNB directorate, stressed in a talk with WELTWOCHTE that for him personally, maintaining a well-established pragmatic cooperation with the BWI—and in particular, naturally, with the International Monetary Fund—had clear priority over the formal type of relations. A message to parliament should be risked only when the domestic policy certainty exists that the referendum (which, in the unanimous opinion of all observers, will come as surely as the "Amen" in church) would not lead to a debacle, which would otherwise cause great damage. "Membership today, and probably also within the foreseeable future, does not seem relevant to me," reckons Lusser.

Of course, Swiss head bookkeeper Stich would also like to avoid a referendum disaster. For this reason, the people's pulse is to be taken demoscopically still during 1987. Up to now, whenever official Bern was helpless, it always fled into the arms of expert commissions or had overall concepts prepared. Now, however, as a first in Switzerland's history, one wants to stick the official finger out the window via opinion pollsters in order to find out in which direction the wind is blowing. It is doubtful whether such an activity is ultimately beneficial to the quality of political action since it manifests great uncertainty. One's own political instinct cannot be replaced by columns of numbers. Not to mention the fact that opinion pollsters occasionally completely miss the mark.

In 1944—almost a year before the end of World War II—, representatives of 44 nations had assembled in the "Mount Washington Hotel" in Bretton Woods, New Hampshire, in order to design a program for the post-war period. It was feared that, after the war, a new economic crisis might occur, causing disruption of international trade and payment transactions. The conference concluded with two agreements whereby the International Monetary Fund and the World Bank were created.

Switzerland is not a member of IMF (which today has 148 member states), but since 1975, the National Bank has observer status in the Interim Commission and, since 1977, is also invited to the annual assemblies. The meeting of governors establishes the quotas of the member states and determines the allocation of special drawing rights. Furthermore, it has also become an important forum for the exchange of opinions on economic and currency policy. The Interim Commission advises the governors. It is responsible for reporting on the international currency system and informs about trends which could endanger the system's ability to function.

The World Bank—only whoever has a seat on the IMF can belong to it—grants long-term loans to developing countries serving project financing or the

restructuring of certain economic sectors. Here, also, Switzerland is not a member, but an observer, whose task is carried out by the Federal Office for Foreign Trade. Within the framework of the General Arrangements to Borrow (GAB) concluded in 1962, the most important industrial countries (the so-called Group of Ten) make additional funds available to IMF in the form of loan assurances. After initial associated membership, in 1984 Switzerland joined, as a full member, the General Arrangements to Borrow and thus, also, the Group of Ten, now consisting of 11 countries. In accordance with the Federal Council resolution, the National Bank is the participating institution.

9917

CSO: 3620/220

LABOR PROBLEMS, PROSPECTS REVIEWED

Results of Turk-Is Elections Examined

Ankara YANKI in Turkish 5-11 Jan 87 pp 38-39

[Refik Sonmezsoy report]

[Text] Amid mutual accusations from the right and the left, the [14th] Turk-Is [Turkish Confederation of Labor] general congress held between 22 and 23 December proved that the organization is being rejuvenated with new blood.

Having been reelected as the leader of the organization by a "paper-thin" margin, Sevkettin Yilmaz has set to work with the legacy of lessons learned from the past.

While reviewing the events of the last 3 years, one of Yilmaz's biggest complaints was that he had been left "alone."

Yilmaz, who initially resigned because of the election of Sadik Side at the 13th general congress of Turk-Is but who later retracted that position at the insistence of his supporters, today at least does not have to complain about the Side impediment.

The election of Emin Kul--who was criticized by some unionists for some of his unfortunate initiatives and erroneous decisions--as secretary general of Turk-Is is a positive development not only for Yilmaz but also for the struggle Turk-Is will wage in the next 3 years.

Opposed by the extreme left wing of the confederation, Kul won the election against Kenan Durukan with a margin of only two votes thanks to the disciplined bloc of votes controlled by [Petrol-Is leader Cevdet] Selvi.

The group that emerged victorious in Turk-Is is the "liberal-social democratic coalition." The election of this right and left-of-center team to office at this critical period is very fortunate for Turk-Is.

The new Turk-Is administration which appears to be capable of overcoming the attempts to divide Turk-Is and the chaos instigated within the organization by outsiders will earn its laurels with its work in 1987.

The peevish contempt shown by Selvi and ["right-wing" candidate Mustafa] Ozbek—who were both unsuccessful in getting elected to offices in the organization—to the change of guard in Turk-Is must be considered insignificant. In particular, Selvi's charge that Emin Kul was a parliamentary candidate from a party formed by the military and his attempt "to excommunicate him from social democracy" because of that was not a very rational move.

For some reason, in our country the double standard method seems to be the standard method used in all matters of judgement.

It is not "very honest" on the part of those passing judgement to dismiss a mistake as an accident if it suits their interests or ideology and to deplore those who make the mistake if they do not serve their interests.

While accusing Kul of being a candidate from the Nationalist Democracy Party, Selvi, for some reason, made no mention of his "support for Side" whose past is at least as flawed.

Side, who served as a minister in a military government, not only hurt Turk-Is with that involvement but was accused of "betraying the worker" by his colleagues and the majority of the rank and file. Selvi and his group frequently took part in these accusations.

However, in the 13th general congress of Turk-Is, Petrol-Is [Turkish Petroleum, Chemical, Nitrogen and Atomic Workers Union] leader Cevdet Selvi was the chief supporter of the minister of the military government, Side.

During that congress, Selvi voted for Side simply in order to paralyze Yilmaz and ensured Side's victory. Although Harp-Is [Turkish War Industry and Auxiliary Workers Unions Federation] leader Kenan Durukan ran against Side during the same congress, Selvi, who claimed a monopoly over honor and social democracy, voted for Side and not for Durukan.

By Selvi's reasoning, some parliamentary deputies of labor or unionist background who ran on a Populist Party ticket at the suggestion of Yilmaz [in 1983] and who are today members of the Social Democratic Populist Party are not social democrats.

Because, according to Selvi, these unionists withdrew from social democracy by joining the Populist Party of the transition period. By the same reasoning, Mustafa Alpdundar and Feridun Sakir Ogunc who were appointed to the Consultative Assembly by the [National Security] Council are also not social democrats.

Because both of them were appointed by the military regime. The truth is that nobody questions the dedication of either of these two unionists to social democracy.

The latest developments indicate that the social democrats lost the leadership of Turk-Is by a narrow margin because of Selvi's "puritanism on social democracy."

Now the most rational thing to do is to join hands to defend the rights of the worker rather than to look back at the past and to level accusations against each other.

Having declared 1987 a "year of action", Turk-Is' actions in the new year will not only be credible but also effective.

If mutual accusations are brought to an end, it is certain that the new administration can get itself organized quickly and set goals for the future.

Until now Turk-Is has not been able to engage in adequately productive work because of rumors, polarization and certain saviors who received their instructions from the outside.

The transfusion of new blood most importantly paints a harmonious picture at the top of the organization. Having extricated himself from the timidity and concerns stemming from his isolation, Sevkett Yilmaz is expected to be bolder and more effective during his new term of office.

Prime Minister Ozal is said to be planning to take new postures toward Turkish unionism starting in January.

According to one rumor, legislation designed to reduce the number of work branches from 32 to 22 will be introduced in the Assembly in the next few days. It is reported that by reducing the number of work branches the government wants to create discord among the unionists. Speaking at the general congress, Hava-Is [Turkish Civil Aviation Workers Union] leader Ibrahim Ozturk expressed this concern in explicit and unequivocal terms.

Another issue of concern is the Seniority Compensation Fund. No one doubts that the government will try to resolve this issue to the workers' disadvantage as soon as it gets the opportunity.

The most important problem of 1987 concerns the collective agreements of 700,000 public sector workers. This year, Ozal once again displayed a despotism which is incompatible with the free union system and which is considered an assault on the workers' right of signing collective labor agreements. By assuming the role of both judge and prosecutor, Ozal has ordained that "the wage increase for public sector for this year is 40 percent." This attitude by Ozal is based on the mentality of ignoring unionism. Another indication of the mentality of shutting out unionism is seen in the "contract personnel" implementation. The hiring of porters as contract personnel in the Turkish Airlines--even though the law stipulates that this type of hiring is restricted only to areas where special skills are required--is sufficient grounds to justify concerns in this area.

We learn from disclosures made by Ibrahim Ozturk that the number of contract personnel hired by the Turkish Airlines has grown rapidly. If that trend continues, within 3 years public sector unions will have difficulty in finding workers to recruit as members.

In sum, while the "subcontract system" implemented in the private sector has curtailed unionism, the intent of the "contract personnel" system in the public sector is apparently to shut down unions altogether.

The new administration of Turk-Is has taken over a very grave legacy. It has to work very hard to shoulder the responsibilities and consequences of this legacy and to turn it over to future generations with a clear conscience. Their task is very difficult. Those waiting for their services face major difficulties and are impatient. Consequently, Turk-Is has to struggle very hard to establish harmony within the organization and to wage a tough struggle outside.

Constitutionality of 'Contract System' Questioned

Istanbul HURRIYET in Turkish 23 Feb 87 p 11

["From Last Week to This Week" column by Coskun Kirca: "The Government Cannot Do This"]

[Text] By enforcing a decree with the force of law, the government wants to turn civil servants and workers in the state economic enterprises [SEEs] into contract personnel. This issue must be examined separately for civil servants and workers.

The 1961 Constitution divided "employees" into two explicit groups: Workers and non-worker public employees.

The term "non-worker public employees" is not used in the 1982 Constitution. However, it is evident that, like the 1961 Constitution, this constitution also makes a distinction among "employees." When referring to "employees" as a whole, the 1982 Constitution uses that term explicitly, but when it refers to rights and freedoms reserved only for workers it uses the term "workers."

In the 1982 Constitution, the inverse counterpart of "worker" is "employer." That indicates that when reference is made to a "worker" what is meant is an "employee" who is associated with the employer by a labor contract.

According to the same Constitution, there are certain other "employees" who fall outside the class of "workers" associated with their employers by labor contracts. Some of these may be associated with their employers by other forms of contract covered by the Debts Law and may be considered as "workers."

But "employees" are not composed of only these two groups. The remainder are "non-worker public employees."

Employees in this group are also divided into two. Most of them are the civil servants. Civil servants are appointed to civil service not through a contract but by competent public authorities within the framework of a status (term status) set by law. The terms civil servants have to comply with in the execution of their functions are set by government organs. Similarly, the employment of civil servants is terminated by the decision of the competent

public authorities. The rest of the "non-worker public employees" are "contract personnel." Such personnel are hired into the civil service on the basis of a contract they sign with the government. Their contract is governed by Administrative Law. Such contracts are different from those covered by the Debts Law mainly in the sense that they are based on arrangements instituted by public agencies rather than the free will of the individual.

Turning SEE Civil Servants Into Contract Personnel

It would be more compatible with the structure of the SEEs to change the status of their civil-servant personnel to contract personnel. According to existing laws, contracts signed by contract personnel working for SEEs have terms of 1 year. The contracts must be renewed every year.

The services of the SEE personnel with civil servant status fall in the category of management. Therefore, it is quite normal for them to accept employment in the private sector and then return to the SEEs and then, perhaps, return again to the private sector.

If our goal is to make the SEEs operate like private firms then changing the status of civil-servant personnel in these organization to "contract" status would be a correct step. This way every SEE would be able to hire, to promote and to terminate its management personnel in accordance with their productivity just like a private firm.

However, 1-year contracts may not offer sufficient security for people who are in senior positions. Consequently, it would be sensible to sign longer-term contracts with them.

Turning SEE Workers Into Contract Personnel

However, we cannot defend the same viewpoint with regard to changing the status of "workers" in SEEs to "contract personnel."

A "contract employee" is a person who performs a public service. In contrast, a "worker" performs no public service by virtue of his duties. Therefore, who should have the status of "worker" and who should have the status of "contract personnel" in the SEEs?

We stated this above. Those who are in management positions in SEEs, those officials of SEEs who are authorized to act like "employers," those who draft and prepare the decisions of officials in "employer" positions and those who oversee the implementation of these decisions are performing public service. On that basis, their status must be changed to that of "contract personnel."

On the other hand, persons who are performing for SEEs work which is not any different from work they would have performed in the private sector cannot in any way be considered to be performing public service. These persons must have the status of "worker" and their relations with the SEEs employing them must be governed by labor contracts and collective labor agreements.

These persons have had the status of "worker" since the establishment of SEEs. There is no reason now to change their status from that of "worker" to that of "contract personnel" who perform public service. Moreover, if such a course is chosen these persons will lose their rights to form and join unions, to participate in collective labor agreements through their unions and to take part in strikes. The government has no right, even by legislation, to deprive citizens of their basic rights and freedoms by simply changing their status without their consent.

Such a move would be fully unconstitutional.

However, if there are SEE employees with the status of "worker" who would like to change their status to that of "contract personnel" out of their own volition, it is evident that there is no basis to stop them from doing that.

Basic Rights Cannot Be Abridged

The government must pay particular attention to this point. The government can change the status of "civil servants" to that of "contract personnel" without asking for their consent. If a civil servant does not consent to that the only option he would have is to ask the government to change his position. However, the government cannot change the status of a "worker" who is working in accordance with the terms of a labor contract without asking for his consent.

Beside depriving the worker of the aforementioned rights, such a move would also essentially violate the worker's freedom to work and to sign labor contracts.

Anywhere in the world except in communist countries, if a government tries to count non-public service work as public service it would gravely violate the freedom of the individual.

It would be particularly strange, to say the least, if a government which started out with the pledge to reduce the government's role in the economy endorses such a posture, which cannot be explained by anything other than a concern against the establishment of unions, signing of collective labor agreements and the declaration of strikes in the SEEs.

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INTERVIEW WITH CONVICTED HEAD OF BANNED LABOR CONFEDERATION

Istanbul CUMHURIYET in Turkish 5 Feb 87 p 10

[Interview with former DISK leader Abdullah Basturk by correspondent Sukran Ketenci; date and place not specified]

[Text] DISK [Confederation of Revolutionary Worker Unions] leader Abdullah Basturk declared that the capitalist class is enjoying the influential period of its history. Noting that the working class and the workers have been left without an organization, Basturk said that every responsible person who considers himself a democrat should organize and fight for democracy and freedoms at every level.

Basturk said: "Former MESS [Metal Products Industrialists' Union] leader Ozal has nothing to give to the workers and toilers of Turkey other than less bread and less freedom. The primary burden of reconstructing democracy in our country has once again fallen upon the workers and the toilers and their love of humanity which they carry on their callous hands and hearts."

Responding to our questions on current issues and labor unity, the DISK leader charged that Turk-Is [Turkish Confederation of Labor] is employing village cunning to feign ignorance of the political, economic and social goals and the democratic concepts of the West European labor union movement and working class. Basturk said that labor unity in a country is achieved in accordance with the concrete realities of the country and not in accordance with our personal expectations and subjective political preferences. He insisted that the presence of a diverse range of labor unions in a country is not a sign of weakness or a cause for concern.

The 20th anniversary of the establishment of DISK will be commemorated at an international cocktail party on 13 February. The next day, the Social Democratic Populist Party will hold an international panel discussion on "union rights and democracy." All international labor organizations with close ties to Turkey will show their support for these activities by participating in these meetings. International labor organizations continue to condemn the court decisions to shut down DISK and to convict its leaders in the first-stage of the 6-year-old DISK trial. Currently, the DISK leaders are waiting for the release of the court decision with a statement of reasons to appeal the decision of the 2d Martial Law Court of Istanbul at the Supreme Military Court of Appeals. According to the information obtained, the

statement of reasons regarding the conviction rulings will be released as a 7,000-page book in about a year, and the second stage of the trial will begin only after these reasons are disclosed. Until the trial is concluded—which is expected to take years--DISK will remain effectively closed, legally open and in the hands of court-appointed caretakers.

Intervention in Trial

Asked to comment on the court decision handed down against DISK and its leaders, Basturk replied:

"As I have stated several times on previous occasions, the decisions taken in the DISK trial are political in nature. The chairman of the National Security Council, the President and the prime ministers repeatedly made public statements about the DISK trial and leveled accusations against DISK and its affiliated unions before and during the trial. While the trial was in progress, former MESS leader and Prime Minister Ozal declared: 'DISK was financed by the communists.' Minister of Labor and Social Security Mukerrem Tascioglu, a former dealer in the Persembe [scrap iron] market, said: 'DISK and those cursed unionists brought Turkey to 12 September.' These statements constitute an infringement on the independence of the judiciary. They clearly violate Article 138 of the Constitution.

"Because of these interventions, the administration has overshadowed the decisions handed down in the trial. However, the intervention did not stop there. Tascioglu said: 'I have their conviction verdicts in my hands. The rulings will be finalized after they go through the appeals process.' By these remarks, Tascioglu has openly declared that he thinks the Supreme Military Court of Appeals is nothing but a rubber-stamp agency and that the executive branch decides everything.

"For this and several other reasons, the DISK trial is a political trial. A local military court has ruled on DISK. We are appealing that decision. We will submit our appeals petition together with a statement of reasons as soon as we receive the court decisions with their statement of reasons, which, we hear, may take as long as 6 months to 1 year to write. We would like to hope that the Supreme Military Court of Appeals will not act in accordance with Tascioglu's wishes. To ensure that we will present to the Supreme Military Court of Appeals all the facts related to DISK and Turkey. We will explore all legal avenues to seek our rights and to ensure that justice is done. If the results of our efforts turn out to be unfavorable and if the right to appeal to the European Human Rights Commission on an individual basis is really granted as reported in the press then we may pursue that course as well. However, legally DISK is not closed and its leaders are not convicted at this time."

What Are Europeans Saying?

DISK leader Abdullah Basturk recounted his much talked about visit to Europe and his impressions there as follows:

"In compliance with the relevant law, the Turkish government issued me a 3-month passport for a single journey. As the press widely reported, the passport was given thanks to the efforts of my European colleagues and the Council of Europe. Certain officials pleaded for the issuance of my passport through telephone calls and direct contacts. Beginning in 7 March 1987 I will rejoin the ranks of citizens whose travel abroad is banned.

"My trip to Europe was sponsored by the European Confederation of Labor Unions [ECLU] with which we have been affiliated from the very outset. In 1974, DISK applied to ECLU for membership. We renewed our application in 1979. While we were being tried in court, the ECLU, which can only accept democratic organizations as members in accordance with Article 2 of its bylaws, voted unanimously to admit DISK as a member in January 1985. That decision was ratified by the ECLU's 5th general congress in May 1985. The same congress elected me as a member of the ECLU Administrative Council. Today the ECLU represents 44 million workers affiliated with 35 labor organizations in 21 West European countries.

"During my trip I met with our friends in the ECLU, our colleagues in the international federation PSI with which Genel-Is [Public Services Employees Union of Turkey] is affiliated and the administrators of ICFTU which declared immediately after the 12 September intervention 'We are opposed to military regimes no matter where they are' and which supported DISK materially and morally during the entire trial even though DISK is not one of its members. Beside discussing various issues during these meetings I thanked them on behalf of DISK for their solidarity.

"My colleagues in Europe insist that the political regime in Turkey is not sincere about joining the EEC. They believe that the continuation of certain trials and the refusal to lift restrictions on certain rights and freedoms at a time when application for full membership in the EEC is being contemplated indicates that the common goals on which the EEC is built are not fully appreciated.

"During my trip, our unionist friends indicated that they would like to visit Turkey on the 20th anniversary of the establishment of DISK. I believe that the secretary generals or representatives of all labor organizations affiliated with the ECLU will be present in Istanbul on 13 February. The secretaries general of ICFTU and DIK will also be there."

'DISK Is an Inevitable Development'

Basturk made the following comments on the recent debate in certain publications over the establishment of DISK:

"As is known, I am not one of the founders of DISK. Criticizing the founders of DISK is not as easy as those who are not members of our class think. DISK is an inevitable development. I recently read in a journal that 'DISK was formed by unionists who had themselves expelled from Turk-Is.' What is the purpose of such allegations and who do they serve? I have been the leader of Genel-Is since its establishment. I served on the Administrative Council of Turk-Is for many years. However, Genel-Is withdrew from Turk-Is in 1975.

Naturally, that was not an easy decision. We had worked for Turk-Is for many years. But we could not achieve labor unity within Turk-Is while trying to end the concept of supraparty unionism and pursuing an economic and democratic unionist struggle as mandated by class unionism on the basis of the universal principles of the working class. We could not take encouraging steps on this issue. We would either have to endorse their subservient posture toward rightist political regimes and their concept of unionism which excludes the working classes from politics--as is being done in the present depoliticization program--and become increasingly like them or we would have to pursue our economic and democratic struggle outside Turk-Is. We chose this latter course.

"It would be wrong to judge DISK solely on the basis of its establishment. It must be evaluated integrally with its view of the working class, the toiling masses, Turkey and the world. DISK is a realistic endeavor. Various groups and individuals were involved in the political and ideological adventures motivated by self-interest and fantasies between 1970 and 1980. But DISK was not among them. Because throughout that time our feet were on the ground and our eyes were on the workers."

Basturk said the following with regard to labor unity which is an issue of current debate:

"'Labor unity' is a basic principle for the workers and the unionists. Because there is a commonality of interests among workers whose surplus value is seized and who have nothing to sell other than their labor. The establishment of labor unity has an important place in the struggle of the working class. Before 12 September, workers in Turkey were divided among various organizations. The same is true today. However, I believe--as I did before 12 September--that this situation is temporary.

"There are no 'single courses of action' in unionism. There is no rule--as some insist today--that says that the development of the Turkish labor movement has to parallel that of the British TUC or the German DGB. Labor unity in a country is achieved in accordance with the concrete realities of the country and not in accordance with our personal expectations and subjective political preferences. Consequently, the existence of diversity among labor unions in a country is not a sign of weakness or a cause for concern. What is important is the determination of the realities of the labor union conditions. I repeat: Divisions among unions is a temporary situation. Labor unity is a principal goal in this matter.

"I believe that those who believe that labor unity can be achieved through a struggle--as opposed to those who seek fake labor unity in fake adventures--will be able to bring about labor unity. Sound labor unity cannot be achieved by luring delegates and winning candidate lists in abruptly organized conventions.

"The endorsement of DISK's principles by broad-based worker groups and the resulting surge in DISK membership to over 500,000 while the membership of Turk-Is declined was a sufficient warning to Turk-Is leaders. However, instead of pulling themselves together and standing up for universal labor

principles they became more closely affiliated with the political regime and the employer organizations. This subservience and their retreat before DISK made them more obstinate, more slanderous and more aggressive.

"This situation began to drag them rapidly toward the beginning of the end. Just at that time the 12 September intervention came to their rescue. After 12 September, their posture with regard to the constitution, labor unions and collective labor agreement laws showed to the Turkish and the world public the true nature of their concept of unionism. The Turkish working class will decide the rest.

'Class Struggle Is Hard'

"Something can and if necessary should be done in even the most reactionary, the most rightist and the most compromising labor unions. However, in Turkey's realities, it is dangerous to help the interests of certain individuals and the capitalist class with slogans of 'a more democratic Turk-Is' and 'unity in Turk-Is.' The economic and unionist struggle of the working class is not progressing as easily as it is thought. You work for years, and when you look back you see that you have moved forward only minimally. That is why class struggle is so difficult and ungratifying.

"DISK has always insisted on the principle of 'unity over principles, unity at the grass roots.' In places where DISK's principles are not discussed as union principles, calls for labor unity are nothing but deceptions. But workers cannot be deceived forever. As I stated previously, even if DISK is shut down, new DISKs will be formed. What is important for us is principles--the defense of the principles of democratic class and mass unionism, the defense of the workers' right to engage in politics as a class and the implementation of the principle of the supremacy of the rank and file in making decisions."

In response to a question about current political developments, Basturk said:

"The debates over democracy and democratic rights and freedoms in our country are encouraging if inadequate. In this area the most important task is to eliminate the system of double standards. We sometimes see a totally unexpected person talk about 'antimilitarism.' On another day, that same person remains silent on the most major bans. The double-standard mentality of 'I do not consider as bans prohibitions which do not interest me' is currently the greatest weakness of people aspiring to become democrats.

Basic Standards of Democracy

"Democracy has universal standards. I do not wish to elaborate on them. If there is democracy in a country, then it must be possible to exercise democratic rights and freedoms without any restrictions. Chief among democratic rights and freedoms are union rights and freedoms. For us, the existence of union freedoms and social rights in the broadest sense is the true measure of the existence of democracy. Because union rights encompass social classes. Anyone who recognizes these rights cannot deny other rights.

"Consequently, in the current struggle and debates for democracy in Turkey, I consider the defense of union rights--for example the right for a general strike--as a basic standard. For that reason, we want to see some clear postures with regard to workers' rights. Because I claim that the working class will once again shoulder the greatest share of the burden in the debate and struggle for democracy in our country. Because the working class has the best sense of the relationship between democracy and his daily bread.

"By organizing in collaboration with the working class, the social democrats can play an important political role in the future of our country. To do that they must first demonstrate the historical and current foundations and the development of social democracy with a realistic approach. A party which has endorsed social democracy as its goal must also have the requisite organizational structure. Beside its organizational structure, such a party must set its political, economic, social and cultural goals in accordance with Turkey's realities and must decide how it can implement politically a pro-independence antimilitarist platform."

With regard to the struggle for democracy, Basturk said:

"When we look at Western Europe, where the democracy the Turkish people have chosen for their political system was born and developed, we see that the people who are carrying democracy on their shoulders, who have brought it to where it is today and who make it live and prosper are the workers.

"The workers, who form the base of the pyramid in socialist or social democratic parties, pursue their economic and democratic struggle against the capitalist class through unions, cooperatives and other labor organizations they control. Meanwhile, the goal of the capitalist class is to maintain control over the government, to repress the economic, political and social development and the ideological and organizational activities of the workers and to control and even steer them using the government they control. This was the basis of the policies implemented after 12 September.

'Courageous Policies Needed'

"The depoliticization theories and programs of those who honed their skills in 'getting things done' and 'turning corners' during the 24 January and 12 September operations can only be implemented by means at the disposal of those who have seized the government. At this point, bold and serious policies are needed in Turkey. These policies must encompass governments which are elected to office by the votes of the people and which are genuine political regimes. Looking back at Turkey's history, we see that since 1964 governments have not in general genuine political regimes. They were not able to preserve the constitutional and legal order and to maintain the hierarchy and the cooperation among the various agencies of government at times of political and economic crises which they themselves caused. Most importantly, even at times of absolute necessity, they were not able to show the courage and political maturity to resort to the political arbitration of our people. As a result they prepared the grounds for military interventions.

"While some said 'the capitalist class has a knife on my back,' others simply packed up and left. That is, they could become neither the government nor the

opposition. The condition of the present government is worse than its predecessors. It is evident that the policy of appearing to defend Ataturk's reforms while sympathizing with reactionarism will lead to worse results. When certain people begin to intercede politically and ideologically between God and man, our neighbor Iran would be good example for those who are wondering where this could lead to. The prerequisite for being able to say 'I am a civilized person' is to avoid hate, reactionarism and exploitation. Consequently, people must be free to think and to generate ideas and to implement them--that is to organize. However, this must apply to all segments of society and not just one.

"I believe that our people who have begun to act more sensibly in choosing democracy as a way of life will eventually overcome reactionarism.

"In conclusion I can say this: Former MESS leader Ozal has nothing to give to the workers and toilers of Turkey other than less bread and less freedom.

"The primary burden of reconstructing democracy in our country has once again fallen upon the workers and the toilers and their love of humanity which they carry on their callous hands and hearts.

Commenting on the future prospects of the working class, Basturk said: "I can summarize your question as follows: As far as I can see, Turk-Is is employing village cunning to feign ignorance of the political, economic and social goals and the democratic concepts of the West European labor union movement and working class. The rightist political and economic preferences of most of the unions affiliated with Turk-Is and controlled by top-heavy administrations must make us think seriously about the future of the working class.

'Working Class Reduced to Nothing'

"DISK's principles on unionism, class and society constitute a guiding light for the renewal of our working people and working class who have been reduced to nothing in their economic and democratic struggle by legal and political pressures, who have lost half of their economic strength and whose dignity has been hurt. The universality and validity of these principles are becoming felt more strongly every day. In constitutional states and democracies, every interest group is founded on organizational struggle at all levels. We must acknowledge that the working class and all toilers are disorganized against the capitalist class which is enjoying the most influential period of its history with its political parties, economic strength and communications media. I believe that everyone who considers himself a democrat, progressive and enlightened and all unionists, politicians, administrators, delegates and workers who feel responsible for the working class and the toilers must reevaluate their position in the face of this grave situation. We must continue our struggle for democracy and freedoms without losing more time and by avoiding mistakes, pursuing rational and realistic courses and organizing against the capitalist class at all levels."

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